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The Nation's Business

Mr. Robb and the Australian Treaty

Guthrie's Attack Shows Need for Recapitalizing C.N.R.

Road Not Insolvent

HON. J. A. ROBB, the minister of finance, is justly popular throughout the Dominion; and his popularity will not be lessened by his staunch adherence to the Australian trade treaty.

This move toward closer business relations with another part of the Empire was welcomed by those who realize the gigantic ultimate potentialities for increased trade which lie within the borders of the countries on which the sun never sets.

Despite the outcry of one Toronto baker who objects to using Australian raisins, despite the protests of the National Dairy Council, which has asked the government for modifications in the treaty, those with a knowledge of the important part played by the Canadian pulp and paper industry in the industrial welfare of the nation, will favor the treaty. The pulp and paper mills are the largest single industry in Canada.

The prosperity of the Dominion over the past few years has been due in a large measure to the sound position occupied by its pulp and paper mills. But now the market for newsprint is hesitant. Through the Australian treaty, the Canadian mills are finding a wider and wider market in that country. While the actual tonnage exported to Australia is small when compared with the exports to the States, yet the amount of newsprint sent across the Pacific helps materially to keep the newsprint mills operating on basis which still allows the industry to be a material factor in producing wealth and prosperity in this country.

If the Canadian butter producer cannot compete with the producer in the Antipodes, there is something wrong with his production methods.

* * *

HON. HUGH GUTHRIE brings up some interesting figures when he shows to what an extent improvement in Canadian National Railway net earnings has been responsible for reduction in the debt of the country. In the last four years, net earnings of the Canadian National Railways have been $125,000,000 more than they would have been had the low earnings rate of 1923 been continued for that period. Had their net earnings not improved as they did there would have been no $105,000,000 cut in the National debt during the period. Of course, Mr. Guthrie is not quite fair in utilizing this circumstance to attempt to rob the present government of credit for such debt reduction as has been accomplished. He says:

> "Nobody will pretend that this government or any member of it is entitled to a particle of credit for the improved showing in connection with the Canadian National Railways. The management of the road is supposed to be entirely divorced from government control. It is under the absolute control, so far as management goes, of Sir Henry Thornton and his board, without government interference, and they are entitled to the full credit for the result obtained—$125,000,000 of relief for the treasury of Canada in four years."

* * *

MR. GUTHRIE should not forget that the present government not only brought Sir Henry Thornton to Canada but granted him that divorce from government control which Mr. Guthrie lauds. They are, then, entitled to credit for the results achieved.

One hesitates to expect any great improvement in Canadian National Railways net earnings this year. Wages are higher, rates have been reduced in some directions; the volume of traffic is not likely to show remarkable expansion over the high figures of 1927. The net earnings of $48,000,000 in 1926 and $42,000,000 in 1927 may be the high water mark of C.N.R. earnings for a few years yet. In the meantime the railway balance sheet shows a total indebtedness of $2,238,000,000. This was made up as follows on December 31, last.

Debt to public	$ 981,000,000
Debt to Government:	
Cash advances	595,000,000
Unpaid interest	226,000,000
Government railways	436,000,000
	$2,238,000,000

The net earnings of $42,000,000 in 1927 were less than two per cent. on this investment.

Obviously, the Canadian National Railways balance sheet carries a lot of deadwood. A sensible reorganization of the railway's capitalization, similar to what a private corporation would go through if it were presenting a picture of insolvency, is desirable.

* * *

THE Manitoba Free Press feels such a reorganization should take the form of considering the public liability of the C.N.R. as bonded indebtedness and the debt to the people of Canada as stock capitalization of a simple though decided scientific plan. The Free Press considers that capitalization of the road will prevent any public conception of the C.N.R. as an insolvent institution. It says, discussing Mr. Guthrie's characterization of the C.N.R. as an insolvent institution:

> "The Canadian National is not an insolvent institution. An institution is insolvent when it cannot pay the interest charges due to its creditors. The Canadian National is not in that position. It has outstanding bonds and securities to the amount of $981,000,000. Included in this amount are the securities issued, under the government guarantee, within the past five years, which are the particular subject of this controversy. The railway pays the interest charges upon these securities. It has assets to meet its liabilities; and

(Continued on page 2, col. six)

See Chain Grocers Now in Competition With One Another

New Stage of Development Appears to Have Been Reached as Two Additional Organizations Venture Into Second Largest City

EXPECT MANY INDEPENDENTS TO SURVIVE

Announcement that the Great Atlantic and Pacific Tea Co., which operates 18,000 stores of the Dominion Stores type in the United States, would open a chain in Toronto after having, a year ago, invaded the Montreal field, where it now operates 80 stores, has caused no little excitement in the grocery trade and in investment circles in that city and elsewhere.

It is reported that the A. & P. will begin in Toronto with seventeen stores and that warehouse facilities already have been secured in the terminal warehouse on the waterfront. It is believed that contracts for building or remodeling six stores have been let but the locations have not been divulged, excepting the first, which is to open April 1st, at Yonge street and Castlefield Avenue.

Although the bulk of the stores operated in the United States are of the Dominion Stores type, it is said that the average size of the Toronto stores will be about the average size of those of the Loblaw or Arnold Bros. chain and that, unlike Loblaw's or Dominion Stores, fresh meats will be marketed.

With the T. Eaton Co. probably also intending to enter the retail food business in Toronto through a chain radiating from the main store, it is evident that competition will be exceedingly keen. It is a question as to which of the established stores will feel the competition most. The one probability on all sides is that the citizens of Toronto will be able to buy foodstuffs even more cheaply than in the past.

Assuming that the T. Eaton Co. enters the field with neighborhood groceterias, and with the A. & P. intending to invade with stores which look like Dominion Stores and which may be similar to Arnold Bros. stores, the day seems to be definitely past when chain stores competed not so much with one another as with the independent grocer.

Chains Will Compete

The independent grocer will find the competition keen, but it probably also will be observed that the chains are competing with each other. Heretofore, the chains have counted largely on obtaining their business from the older type of grocer, whose individual buying power was small and whose business methods, perhaps, were not so efficient as those of the chain.

However, direct competition between chains may be a year or two in the future, for the established chain undoubtedly has a greater purchasing power than the newcomer. Eaton's, of course, probably have a large purchasing power in view of the fact that they operate grocterias in many cities. This advantage will be offset, perhaps, in some degree by the costs of distribution over a large area, as compared with the chains which operate in a more concentrated territory.

Yet there still are in Toronto several hundred independents in the grocery business who may lose business to the chains. There are about 1,700 grocery stores in all, of which somewhat more than 200 are in the large chains, and of which probably 200 additional stores operate in groups of varying size and thus are able to buy on narrow margin through single wholesale houses. There are perhaps 50 odd stores of the type appealing to the higher-class trade which have continued to do a good business and who probably will continue to serve that portion of the public which prefers the old methods of service and there are many very small stores which are operated by members of the owners' families to supplement the family income which is derived largely from a daytime job held by the man of the house. Regular hours of business are not a policy of this class, worry about overhead is dismissed as something beyond understanding, wages are nil in so far as book-keeping is concerned, and often all seems to be profit which is in excess of cost price of the goods.

Others May Survive

It may be hard to take trade away from these stores. An owner of one of the stores in a group which have been combined for buying and advertising said recently that this competition was much more disheartening than any possible competition from the chain store, which operates in a better location in his neighborhood.

There is another type of neighborhood merchant who may survive chain-store competition. He is the groceryman who, in days before chains, built up a business reserve in the form of cash or unencumbered real estate and equipment. If his business were financed on a sound basis he probably would be found to be losing money, but by dint of charging only his rent and taxes and taking no great salary for himself, he has been able to keep going without apparently going behind, and he expects to stay in business so long as he wishes an occupation. He has a certain goodwill; many of his customers will not desert him entirely for any small saving there may be on the daily purchases, no matter what saving there may be on the year's total.

These observations are the result of conversations with persons familiar with the grocery trade and familiar with the changes that have been brought about by the influx of the chains in the last several years. But these do not mean that the chains which are operated efficiently will not make progress. Consumption per capita is not likely to increase, but the population of Toronto and of other centres selected for operations by chain-store executives continues to grow and the demand for groceries will increase. The number of individual grocers is not likely to increase, at least for some years, so that, in the normal course, there would be room for additional chain stores.

Asbestos Corp. Makes Big Profit on Deal

The Asbestos Corporation has, according to rumor, concluded a deal which should add materially to its already strong working capital position. The Shawinigan Water and Power Company has purchased a 25,000 horsepower site on the Etchemin river from interests associated with the Asbestos Corporation. Rumor has it that the corporation obtains $800,000 in the sale.

According to one of the financial bulletins, the site was owned originally by the Henry Atkinson Company, lumber dealers in Quebec. The Asbestos Corporation entered into partnership with the lumber company to develop the site. It is now said that Shawinigan has acquired the site and the Asbestos Corporation, in addition to obtaining a portion of the purchase price, obtains a long term power contract at favorable rates from the Shawinigan Water and power Company. The Etchemin flows into the St. Lawrence on the south shore near Quebec.

BOTH STOCKS OF KELVINATOR RISE IN MART

Brighter Promise for Parent and Subsidiary is Apparent

A low-price common stock which has doubled in market value in recent months is the common of Kelvinator Co. of Canada. Recent sales have been in the neighborhood of $10 the share. The preferred likewise has ascended to 79-80 from 62½, the low for the year.

This improvement is a reflection of the betterment of the position of Electrical Refrigeration Co. of the United States, which controls Kelvinator, the United States parent of Kelvinator of Canada. The London, Ont., plant is fairly active, it is reported, and the trade outlook is better both in the domestic and export markets.

All Kelvinator export business outside Continental United States, accrues to the benefit of Kelvinator of Canada, whether or not the goods originate in the London factory.

Alberta Withdraws Debt Bill

Special despatches from Edmonton indicate that the new Debt Adjustment Bill, whose drastic moratoria terms have occasioned such furore, will be withdrawn by the Government and not proceeded with this session. (See also page 11.)

New Buying Appears for City Dairy Common

Liquidation of common stock of City Dairy by speculative interests which have participated in the marked rise in the last several months, is said to account for the comparative weakness in the new stock in the last few weeks. There are several brokerage houses which now are recommending purchases by their clients, and there has been a noticeable firming in the price in the last week.

Although this common stock has had a spectacular rise, almost uninterrupted for two or three years, the position of the company is such that its friends are of the opinion it is an attractive holding for any person who is reasonably patient. The company has been characterized as financially impregnable and its merchandising methods have been successful. Through the Dri-Milk Co., a wholly-owned subsidiary, the company has wide markets, and the business in Toronto is expected to continue to grow with the city.

No Danger of Canada Life Passing Into U.S. Hands

Rumors to the effect that control of the Canada Life Assurance Company has passed from Canadian to United States hands are most emphatically denied by officials close to the affairs of the company. In fact any such idea is pooh-poohed as being absurd, and officials state that as a matter of fact only a handful of shares are held in the United States, and that more than 99 per cent. of all stock holdings are in the hands of Canadians or old country people. This is borne out by other sources of information, one authority stating that not more than 200 shares were held at present in the United States; and another stating that the maximum American holdings, even after recent share transactions, could not possibly exceed 500 shares.

"As a matter of fact," said one man very close to the management, "it is absurd to think that control of the Canada Life is ever likely to pass from Canadian hands to the United States. Among the large shareholders of this company their investment is most highly regarded; and Canadian interest in the company is so keen that no substantial block of shares would be let slip over the border."

Managers of Canada Life agencies have written The Financial Post inquiring if their company had changed hands. It is not known how the rumors started.

PRUDENTIAL TRUST, AFTER MELEE, HAS TWO DIRECTORATES

"Law" is Ejected as Men of Silk Seek for Law

From Our Own Correspondent

MONTREAL.—"Sit down."

"Shut up."

"Shut up yourself."

Not dignified remarks at a meeting of a Canadian trust company, but typical of what transpired at the annual meeting of Prudential Trust, held here this week.

After some four hours of wordy combat which included heated references to Bourinot, Hades, and the "Mother of Parliaments," and which featured the ejection of a policeman because he did not hold a share of Prudential Trust stock; this battle of legal and antagonistic wits came to a close by adjourning "sine die" with both sides loudly proclaiming victory over the other.

It will probably take a score of Philadelphia lawyers to untangle the constitutional mess that the company seems to have got itself into at this meeting, but briefly the situation which now confronts the company, and which must be unravelled before any progress is made, is as follows:

First Important Business

The first important act of the meeting was its refusal to sanction the by-laws of the company as amended by the directors. This meant that for the rest of the meeting, procedure was dependent on a set of by-laws drawn up by dissatisfied shareholders and passed at a special meeting held at the end of last year.

Thereby hangs the tale.

These by-laws provided, among other things, that instead of the chairman of the meeting appointing scrutineers in the event of a ballot, the scrutineers must be appointed by a resolution of the shareholders.

When the resolutions appointing scrutineers to receive ballots for the election of directors were submitted to the meeting, the company counsel called for a ballot. But to have a ballot one must have scrutioneers, and without scrutineers there can be no ballot.

No scrutineers, no ballot: no ballot, no scrutineers.

How's that for a vicious legal circle?

Talk, Talk and Talk

For an hour and a half the lawyers chewed this choice morsel of corporation constitution, and while one side stolidly refused to countenance the absurdity, the other faction went merrily ahead, submitted their ballots, scrutinized (!) them, found to their great delight that they held a majority of the shares of the company, and with due solemnity elected their board of directors. Then after all had been completed, a motion was heard for adjournment and after another ten minutes of legal bickering, the battle of the Philadelphians came to an end.

Who then owns the Prudential Trust?

Ask us another. Your guess is as good as ours.

As to the future, it is still hazy.

In theory there is one president and two boards of directors.

The old directorate and officers claim that the group commonly known as the "Quebec faction" have twisted the company's by-laws into an absurdity, and that notice of motion to amend the by-laws must be given and a subsequent meeting held, before any progress can be made in the company's affairs. The amendment to the by-laws would, of course, be the substitution in the present code, of the clause which permits the chairman of the meeting to appoint scrutineers, instead of appointing them by a shareholders' resolution as is at present the case.

Quebec Group Control

The "Quebec" group on the other hand will claim that they have proceeded legally and that their nominees now control the company. They claim furthermore that if the "opposition" had wished to amend the by-laws it could have done so at any time throughout the meeting, and that a notice of motion is unnecessary to accomplish this purpose.

The proxies submitted in the ballot "staged" by this "Quebec" group are supposed to represent some 7,600 out of a total of 9,662 shares. On the other hand the old faction under the leadership of B. Hal Brown, make the claim that a large number of these proxies are in dispute, and that the shares they represent are held in trust and cannot be used by the opposition.

There seems little doubt that the question as to whether or not the ballot that was taken at the meeting was legal, will have to be submitted to the courts for a decision.

Steel Wares' Shares Higher in Curb Trades

From Our Own Correspondent

MONTREAL.—The results being achieved by General Steel Wares have resulted in a substantial appreciation in the common shares of the company. On the Montreal Curb, the stock changed hands at 36. Within a month the recently issued preferred shares of the company will be listed on the Montreal and Toronto stock markets.

The company recently expanded by the acquisition of another company engaged in the same line of activity. Some estimates of the present rate of earnings on the common shares are as high as $5 a share per annum. But this figure is thought to be somewhat optimistic. There is no doubt, though, that given a continuance of prevailing business conditions, the merger of which General Steel Wares is the outcome cannot fail but to result in material savings and economies which should increase earnings satisfactorily.

Players Preferred Sells at Redeemable Price

Famous Players Canadian Corp. first preferred has been selling recently at 105, which is its redeemable price. At this level, the yield is about 6½ per cent.

Less than a year ago, this preferred stock was selling at 96. Readers of The Financial Post are familiar with the fact that the outlook for the company steadily has been improving. The company is well-managed and the prosperity of the company has been reflected in the attendance at the theatres.

Elected to Curb Exchange

Gilles N. Forget, recently elected member of the Montreal Curb Market, becomes associated with the firm Leclerc, Forget & Co. He thus enters into partnership with his brother, Maurice Forget, member of the Montreal Stock Exchange, and René-T. Leclerc, well-known Montreal financier and president of René-T. Leclerc, Inc.

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Earnings of Rubber Companies are Not Adversely Affected

Collapse of English Restrictive Measures Paves Way for Stabilization

MANY WORSE SLUMPS

Shareholders of well-managed Canadian rubber manufacturing companies need not be greatly disturbed by the recent drop in crude rubber prices due to the collapse of the English restrictive measures, according to C. H. Carlisle, president of Goodyear Tire and Rubber Co.

"Prices have often tumbled before," he said, "and yet old-line companies have continued to show increasing earnings. In a little more than a single month, from July 1st to August 10th, 1925, the price rose from 90 cents to $1.22, and then dropped to 72 cents, a variation of 50 cents; and during the ensuing ten months, after touching 116, dropped to 42 cents in May, around which it remained for several weeks. Yet the old-line rubber companies managed to survive, and have, in fact, increased their earnings right along despite rubber variations."

Profits Maintained

Mr. Carlisle pointed out that while various factors affect a rubber company's profits, under the modern methods of operation, these were less subject to vacillation because of altered prices for crude rubber. "Long" advance purchases of crude would, of course, affect a rubber company's profits; but, he pointed out, most companies were well posted on rubber conditions, and well acquainted with market conditions, and there was less likelihood than formerly of their supplies of crude being top-heavy. Transportation plays a considerable part; and the fact that shipments have been completed so rapidly of recent years, means that manufacturers do not have to buy so far ahead of the market to keep well supplied with crude.

It would appear that the average large rubber manufacturer carries normally on hand from three to four months' supply of rubber, including manufactured goods, goods in process, crude in warehouse, crude afloat, and crude on contract; and unless a manufacturer is abnormally "long" on his contracts or futures, his earnings will not be too severely effected by crude fluctuations; though naturally upward prices will give him a better break than downward revisions. In other words, the manufacturers get a good break whether prices of crude go up or down, as their price revisions come into effect after stocks bought at former prices have partially been disposed of at prices set when these crudes were purchased.

Stabilization in Sight

As regards the effect that the breakdown of the English restrictions will have upon the future of the rubber industry, Mr. Carlisle is quite optimistic.

"Prices resulting from the English control legislation had only the worst possible effect upon the industry," he said. "Prices of a commodity that should be laid down profitably in Canada at 25 cents a pound, were advanced from 11 cents to $1.26, and then allowed to slump back to 40 cents. The present break is due to collapse of these ineffectual restrictions; and to my mind, this collapse is the best thing that could happen to the rubber industry, as the attempted restrictions were in reality the worst enemy to stabilization of the industry we have seen yet. Now, probably the English rubber men will follow the successful Dutch practice of a small working committee; and with the legalization of the American purchase pool which will be brought about by the Act now before Congress, we can look for a real stabilization of the rubber industry, with prices prevailing that will be fair and equitable to grower, manufacturer and consumer. Neither grower nor manufacturer want distress prices, but only stabilized prices that will be fair to everyone.

"It has been conclusively shown in nearly every case and every country that government interference with business has been detrimental. Supply and demand and competition will always bring about a more healthy condition. And under the new methods of marketing rubber brought about by the collapse of the English restrictions, we can look for stabilization of the industry."

Concerning the earnings of the Goodyear Rubber, Mr. Carlisle was inclined to be reticent, preferring to say nothing until shareholders receive a statement issuing at the end of the month. But it is understood that the company's six months' production is the largest in its history as it is known that plants have been enlarged considerably since the close of the fiscal year last September 30th, and all plants are operating at capacity.

Australian Treaty Aids New Brunswick

From Our Own Correspondent

MONTREAL. — Industries other than the pulp and paper are benefiting under the Australian trade treaty. Orders from Australia for 25,000 cases of New Brunswick sardines have been received by Connors Bros. which operates the largest sardine plant in the world at Black's Harbour, N.B. The order amounts in round figures to $150,000. Moreover, before the factory was closed in the autumn, more orders were received from Australia than could be filled at that time and this spring, two weeks before the usual opening date of the factory, orders for between 25,000 and 30,000 cases have been received by this New Brunswick industry.

OFFER TO BUY DEPT. STORES MAY BE TAKEN

Formal Announcement of Purchaser is Deferred Pending Acceptance

Identity of the organization which has made an offer, said to be for $5,500,000, for Canadian Department Stores, now being operated by receivers, will not be announced formally until it is learned whether or not the income bondholders and the creditors accept the proposition now before Receiver G. T. Clarkson. The price, it is believed, will leave 50 per cent. for the income bondholders, and about 45 per cent. for the trade creditors after satisfying in full the prior claims of the first-mortgage, the banks and the legal expenses.

It is believed that the offer, when understood by the interested persons, will be accepted by the required number. There were three offers in all for the property. It is thought that the highest price takes into account the fact that it would be costly to get together a similar chain if, as can be assumed, the intending purchasers desired to enter the communities where the stores are located. There are 21 stores in Ontario centres and one in Montreal.

Less Town Financing Taken as Good Sign

Bond sales since the beginning of the year to date have been considerably less than in the corresponding period last year. While there has been a decline in offerings, corporation issues have been well to the fore. Municipal issues, however, have been less numerous.

To those who have watched the record of municipal financing in the past ten or fifteen years, this is taken as a good sign. In the years before the war expenditure by municipal authorities on improvements and various developments was far in excess of their ability to repay.

When confronted with this statement, the usual reply was that the country was experiencing an era of development which necessitated exceptionally heavy expenditures and that such financing as was being undertaken at the time was necessary. With the war years came hard times for the municipalities across Canada and the financial affairs of many became so involved that, in certain cases, it was necessary for the Government to step in and clear up the situation.

New Financing Heavy

Since 1921 new issues of Canadian municipalities have averaged nearly $80,000,000 per annum. Some of the money raised was for refunding purposes, but a great deal was for improvements of various kinds.

The small amount of financing undertaken this year has led to the hope among investment bankers that the municipalities are awakening to the need of cutting down their indebtedness. The Dominion Government has already led the way in that direction by making very substantial reductions.

While the Dominion has in mind undertaking some financing before the end of this year, it is pointed out that the new money raised will be devoted exclusively to refunding purposes. It is not the intention to add to the country's debt by making new capital outlays which cannot be paid for out of current revenue.

Whether this procedure will be followed generally by the municipal governments is hard to say at this stage. Several are in a position to carry out refunding at a lower rate of interest than they are now paying but financing of late has been for various improvements. While this is not to be condoned, it is desirable for the municipalities to curtail expenditure within revenues.

With the present strong bond market and the apparent eagerness of the public to absorb new municipal issues, it is a temptation for municipalities who have had local improvements in mind for some time—needed or otherwise—to go out in the market and raise additional funds and thereby add to their bonded indebtedness.

May Experience Setback

This line of action has no drawbacks as long as the municipality is prospering, but when the municipality concerned experiences a drawback, the necessity of meeting outstanding obligations proves to be a serious handicap to the community.

The suggestion has been put forward that Canadian municipalities should for the next ten years undergo the strictest economy and make serious efforts to lower their debt. Such a procedure would not only add to their credit standing but place their bonded indebtedness in a healthier state.

MINE 'CHANGE AT 'PEG NEAR REALIZATION

Question is "Will Farmer Government Grant Charter?"

EASTERNERS BACK IT

Position of Present Winnipeg Stock Exchange is Interesting But Yet Indefinite

From Our Own Correspondent

WINNIPEG. — Does Winnipeg need a mining exchange in addition to the Winnipeg Stock Exchange? That is the question that is agitating financial and mining circles in Manitoba just now.

No sooner had the recent negotiations between the Winnipeg Stock Exchange and the Winnipeg Grain Exchange been brought to a conclusion with the decision that amalgamation of these two bodies is not desirable, than the new question cropped up. Ex-Mayor Ralph Webb, with the backing of some Winnipeg mining and brokerage interests has announced plans for the formation of a new Mining Exchange, in which a number of Eastern brokers are said to be interested. The Winnipeg Stock Exchange filed an exception at Ottawa to the granting of a charter to this new body. The Secretary of State at Ottawa has announced that no Dominion charter will be granted, but so far as the Winnipeg situation is concerned that has merely changed the scene of the struggle from Ottawa to Winnipeg, for the Dominion Government has taken the stand that the chartering and regulation of exchanges is a responsibility that must be assumed by the provinces.

Local Trading is Side-Line

Up until recently the Winnipeg Stock Exchange could not be regarded as a very important institution. It conducted trading in a small number of unlisted securities, and offered facilities for trading in Government bonds between security houses. The principal security dealers in Winnipeg were members, but trading on the Winnipeg Exchange could be no more than a side line with any individual or firm. Making a living out of operations on the Winnipeg market would have been out of the question for any individual. Up until a year or so ago seats on the exchange had a nominal value of something under a thousand dollars each.

The two separate causes began to make it appear that Winnipeg's market might develop an important institution. Development of Manitoba's mining areas began in earnest. Not only did exploitation begin of several large mining propositions, such as General Manitoba, the Flin Flon, now the Hudson Bay Mining Company, the Sherritt-Gordon, and a few others, largely financed by outside money. Local investors began to take an interest in scores of small ventures, subscribing enough money through syndicates and small companies to carry these at least through preliminary development stages. Then a very wide interest began to develop in the west, as in all other parts of Canada in the market values of Canadian securities. And to these facts add the still more important one that a very considerable surplus for real investment began to appear in the West, as the result of the steady improvement in conditions that has been in progress for a number of years.

Nine New Seats at $5,000 Each

Obviously the opportunities for trading in securities in Winnipeg were increasing, and members of the Winnipeg Stock Exchange began to lay plans for increasing the usefulness of their organization. The decision to provide improved trading quarters was one result. That is likely to be brought about by moving to new quarters when the improvements to the Grain Exchange building are completed. Discussions on possible amalgamation with the Grain Exchange were another result, and even though that idea has been dropped the discussion has been useful in focussing attention on the possibilities of the Winnipeg security market. Membership was enlarged by the sale of nine new seats at auction, and these brought prices little less than five thousand dollars each. The decision was reached to provide facilities for trading in all established western mining issues.

Then, just as everything pointed to encouraging developments in the Winnipeg Stock Exchange came the announcement of the proposal to form a new mining exchange. According to published statements fifty seats were to be sold at a thousand dollars each, and brokers actively interested in the Toronto mining market were said to be taking an interest.

Then the discussion became active. On the one hand it was claimed that the Winnipeg Stock Exchange could provide all the facilities necessary for trading in mining stocks. Winnipeg, it was claimed, could not support two exchanges. To divide the mining business between two would be to leave each inadequately supported. A new exchange might result in a lot of irresponsible concerns getting into the mining brokerage business, with dangerous consequences ahead if many more institutions tried to make a living out of the business than it could support. If Winnipeg wants to have a real security market the mining business and the regular stock exchange business should not be separated.

Arguments for Separate Exchange

And, on the other hand, supporters of the idea of a separate mining exchange have a good deal to say. There is the example of Toronto, for one thing. There is the fact that many members of the Winnipeg Stock Exchange are representatives

(Continued on page 2, col. two)

First Cageless Bank Now Made Possible by Machine Posting

Bank of Commerce Introduces Innovation in New Branch

The first "cageless" bank to be established in Canada, which consists of the savings department of the Toronto Queen and Yonge street branch of the Canadian Bank of Commerce, is declared to have been an unqualified success; and other Canadian chartered banks are expected shortly to follow the lead of the Bank of Commerce and establish similar "cageless' banks.

Protective Grillwork Gone

The "cageless" bank as operated by the Bank of Commerce in Toronto is all that its name implies, literally a cageless bank. The old style metal tellers' cages are entirely done away with, and the only thing that separates the depositor from the bank cashier is a beautifully mahogany counter of convenient height across which customer and bank official can comfortably carry on their business without the intervening obstacle of familiar iron bars. The exceptional breadth of the counter itself affords protection to the tellers, whose cash is contained in specially contrived cash drawers that the touch of a finger swings shut and automatically safe-locked beyond the ability of any ordinary thief to pry open.

The chief virtue of this new departure lies in the fact that much greater speed in service is possible; and hence the long queues of waiting customers usually to be found at peak-load hours before both tellers' and ledger windows, are practically done away with. For tellers and ledger-keepers are combined in the one person with the aid of specially devised banking machinery now available for the first time to Canadian bankers, and specially designed and installed by the Bank Division of the National Cash Register Company.

Even a Receipt

By means of special equipment, known as the National Posting Machine, the single clerk who operates the cash-drawer has instantly bebefore her the full details of the customer's account; and by pushing a few handy keys simultaneously enters on the customer's ledger card, passbook and the Journal Sheet, which displaces the old handwritten blotter the precise amount of deposit or withdrawal. The machine then automatically brings the total up to date and enters same in the three documents indicated; and should the depositor forget his passbook, why the machine automatically makes him out a deposit receipt for his money, leaving no room for argument or uncertainty as to date or amount of deposit.

In the case of the Canadian Bank of Commerce, two machines and two operators are in use; and this equipment is stated to be capable of handling more than 800 entries a day, automatically proving all transactions as it goes along, with locked control totals available only to the accountant who holds the keys and is thus able to accurately check cash and audit accounts daily in a comparatively few minutes. As a matter of fact, the savings department has been able to clear its cash and accounts since the installation of the new equipment with totals proved as early as an hour after close of bank business day at three p.m.

Of course the big advantage is the added service to customers and the elimination of the big queues at peak-load hours. It is stated that less than half a minute is required for the average customer's transactions, and under this system of speed and accuracy the waiting line of customers soon melts away.

BLDG. PRODUCTS AND ST. MAURICE FORM SUBSIDIARY

Enlarged Activities of Both Companies Doubtless is Beneficial

From Our Own Correspondent

MONTREAL.—The Canada Power and Paper Corporation through its subsidiary the St. Maurice Valley Corporation has entered into partnership with Building Products in the formation of a subsidiary company, owned equally by the two companies involved, which is to manufacture new products from raw material supplied by the St. Maurice Valley Corporation. The new lines include insulating wallboards and similar lines which Building Products can market economically with its other products.

Representing the new interests in the Building Products picture, C. B. McNaught and George M. McKee have been added to the board of that company. The control, though, of Building Products still remains with the Bird and Son and Ruberoid interests.

The new subsidiary of St. Maurice Valley and Building Products will be called the National Forest Products, Limited. At the annual meeting of Building Products the opinion was expressed that while the outlook for the new subsidiary is eminently satisfactory, yet it will be some time before substantial profits will accrue due to the costs involved in developing new domestic and foreign markets.

Nevertheless, there can be little doubt that the opening of new markets for the production of the Canada Power and Paper Corporation and and the handling of additional lines by Building Products cannot fail but to work out well for the two companies which have combined in the formation of the National Forest Products.

TRAP ROCK SHARES PUBLICLY OFFERED

Dominion Trap Rock Stock Sold as a Speculation at $25

From Our Own Correspondent

MONTREAL.—Two Montreal investment houses have underwritten and are offering the "A" stock of the Dominion Trap Rock Company as a speculative issue which has prospects of appreciation. The company has a sound board of directors. The particulars of the issue are as follows:

20,000 Shares

Dominion Trap Rock Company, Limited
Common Stock $25 par value, Class "A"

Capitalization:	Authorized	Issued
Common stock, $25 par value Class "A"	20,000 shares	20,000 shares
Common stock, no par value Class "B"	50,000 shares	30,000 shares

The 'A" stock is entitled to $3 in annual dividends before dividends are paid on the "B" shares. After the "B" stock pays $3 per year, both classes of stock participate equally.

Business: Owns and mines a trap rock quarry on the north shore of Lake Huron near the Soo. Trap rock is largely used in road construction. Other deposits which can be shipped economically by water are limited. The company has large contracts on hand, and owning its own docks can ship by water direct to American and Canadian lake ports. Trap rock enters the United States free of duty.

Assets: Replacement value of present plant, $659,260. Seventy million tons of rock are available in the quarry.

Production: Can now produce 400,000 tons per annum and the present financing will permit production to be increased to 600,000 tons.

Purpose of Issue: To acquire the predecessor company's assets and to increase the output.

Offered: March, 1927, at $25 a share by William, Partridge & Rapley, and the Grier Investment Company.

We Recommend

Hamilton Dairies

Zimmerknit
Preferred and Common

DENMAN & CO.
LIMITED
INVESTMENT BANKERS
HAMILTON, ONT.
BRANCH: BELLEVILLE, ONT.

MINE EXCHANGE AT WINNIPEG NEAR TO REALIZATION

(Continued from page 1)

of fairly conservative houses, with no special interest in the development of a market in Manitoba mining shares. Eastern interests, it is claimed, which have done much to get new money into Ontario mines, are willing to take an interest in Manitoba if they can become charter members of a new mining exchange, but they are not going to bother with trading in the older body, of which they are not members, and which would probably not make room for them. The encouragement of mining in Manitoba means giving plenty of outlet for the speculative interests of the people here, and widespread facilities for taking a chance on new ventures. If you do not have a formal exchange, you are likely to have the development of an irregular curb market, and an over the counter business, which will be discouraging to investors because they will never be sure if they are being fairly treated. And then there is always the argument that the present Stock Exchange has not yet done anything for Manitoba mining, and a new institution is ready to do a lot, so why should members of the present exchange have a monopoly of the business?

Will Charter be Granted?

The outcome at the present time is difficult. to guess. The Manitoba Government is under pledge to assist in developing the mineral resources of the province, and will be under a good deal of pressure to grant a charter for the proposed exchange. But, as a farmer government, they will also be under pressure to avoid anything that looks like encouragement of unnecessary speculation. After all, the Winnipeg Grain Exchange functions as a purely voluntary organization, without any government charter, and at the worst a Mining Exchange ought to be able to do the same thing.

The only definite conclusion yet possible is that a lot of people who are not now members of the Winnipeg Stock Exchange are determined to have something to do with the extensive trading in Manitoba mining securities that nearly every one sees in prospect.

Adds Automobile Line

General Insurance Company of America has been licensed at Ottawa to write automobile insurance.

FOREIGN SECURITIES
We are active in all foreign issues.
Ask for quotations.
Have your name placed on our mailing lists
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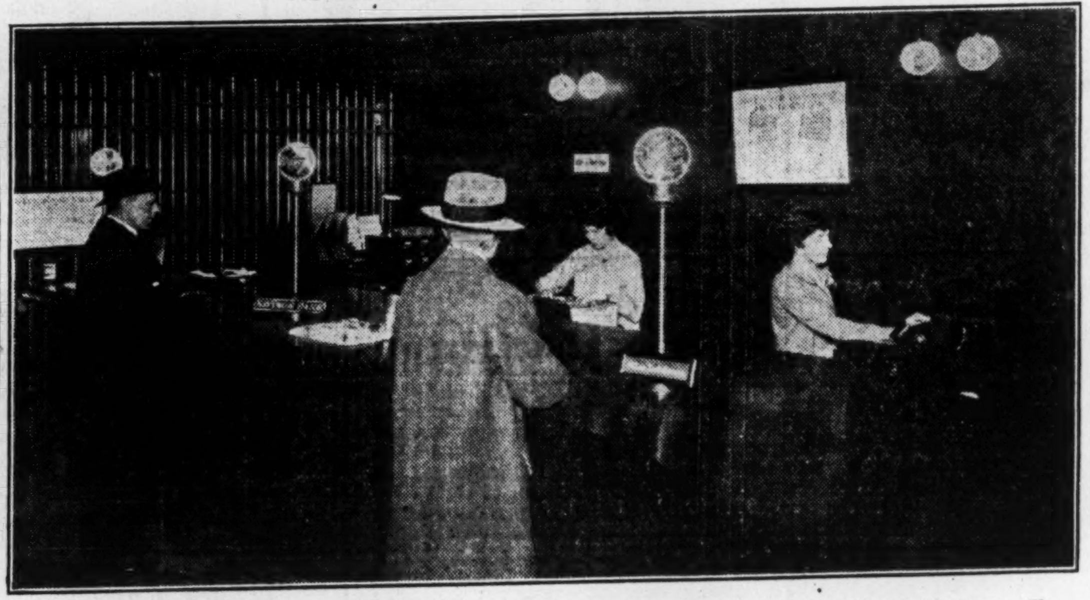
C. T. FILLAN & CO.
Specializing in
RAILROAD SECURITIES
205 St. James St.
MONTREAL
Telephone Lancaster 6986

No Iron Bars Surround These Tellers



Officials of the Canadian Bank of Commerce pronounce successful their experiment of a bank branch without a teller's cage. The photograph was taken this week at the Queen and Yonge Street branch of the Bank.

C.P.R. Profits Larger; But Net Has Declined

From Our Own Correspondent

MONTREAL—While the gross earnings of the Canadian Pacific Railway for the 1927 year were at the second highest level in the history of the company, yet the net declined materially from the 1926 figure. Two of the chief reasons for the decline lie in the persistent attempt of the public to obtain lower freight rates, coupled with the demand for higher wages from railway employees.

The special income account, in which are carried earnings from all sources other than the operation of the railway and the lake steamers, increased substantially from the 1926 figure, and in 1927 was at the highest level in the history of the company.

Formerly, the C.P.R. carried its special income in a separate account. In the ordinary account, only 7 per cent. of the 10 per cent. common dividend disbursement was deducted. Hence, the current statement of the C.P.R. differs from its predecessors as the special income account, which includes earnings from ocean steamers and investments, has been added to the net earnings before deducting fixed charges and dividends.

The comparison of the company's income account figures over the past four years follow:

	1927	1926	1925	1924
Gross earnings	$201,145,751	$198,025,592	$183,365,006	$182,502,156
Working expenses	161,630,180	153,080,465	143,201,230	145,274,914
Net earnings	39,515,571	44,945,127	40,154,776	37,227,242
Special income	11,876,560	11,056,271	11,357,375	9,971,252
Total income	51,392,131	56,001,398	51,512,151	47,198,494
Fixed charges	15,378,867	14,676,359	14,438,517	14,070,281
Surplus	36,013,264	41,325,039	37,073,634	33,128,213
Pension fund	600,000	600,000	500,000	500,000
Net revenue	35,413,264	40,725,039	36,573,634	32,628,213
Preferred dividend	4,005,944	4,005,944	4,005,944	3,993,341
Balance	31,407,320	36,719,095	32,567,690	28,634,872
Ordinary dividends	26,000,000	26,000,000	25,000,000	26,000,000
Surplus	5,407,320	10,719,095	6,567,690	2,634,872
P. C. on ordinary stock	12.07%	14.12%	12.52%	11.01%

Pelissier's Earnings May Exceed $3 Share

Manitoba's first beer parlors opened this week in Winnipeg, while in Toronto common shares of Pelissier's Limited, a leading Winnipeg brewery, firmed up to 18.

Another favorable bit of news affecting this company was the decision of the Manitoba government to leave it to the brewers to fix their own selling prices on beer.

Pelissier's sales have shown a large increase this year, and while only sales and not earnings figures have been published, one in close touch with the company indicates that at the current rate, the company's profits for the present year may easily run between $3 and $4 a share.

Report Good Ore on Teck

Unofficial reports have been received from Kirkland Lake to the effect that Teck Hughes has struck high grade ore on the lower levels 67 feet in width and running between $20 and $40 to the ton.

Fraser Companies Has Declared First Dividend

From Our Own Correspondent

MONTREAL.—Following the annual meeting of the Fraser Companies, the management declared an initial 25c. dividend on the new no par value common shares. The declaration places the stock on an annual $1 a share basis.

The company's annual dividend requirements on its common stock now amount to $369,750 at the present rate. Earnings applicable to the common in 1927 amounted to $593,944. The earnings last year reflect no benefits from the company's present programme of expansion.

Fire Insurance Co. Has Larger Business

From Our Own Correspondent

MONTREAL.—Good progress in all departments of the company's business is shown in the annual report of the Fire Insurance Company of Canada for the year ended December 31, 1927. Gross and net premiums show growth while the loss ratio is substantially lower; additions to both surplus and reserves have been achieved, while expense ratio is revealed on a sound basis.

The gross premiums written less cancellations, were $694,226, an increase of $52,061; the net premiums at $359,515 also show an increase of $25,459. The net loss ratio was 39.86 per cent. as against 51.87 per cent. in 1926. Directors have carried to the reserve fund a sum of $21,605, and to the credit of profit and loss account a sum of $90,639.

The total assets having increased by $316,669 are now $1,264,788. Expense ratio, comprising commissions to agents and all other expenses, stands at 38.57 per cent.

The company has made a gross profit of $112,245, and after having made provision for reserves the surplus account amounts to $327,170, as against $190,550 in the last report, and from which a sum of $25,000 dividend was declared and applied against the uncalled capital.

The Fire Insurance Company of Canada is one of the few strictly Canadian fire insurance companies.

The Weyburn Security Bank
Chartered by the Act of the Dominion Parliament
TWENTY-SEVEN BRANCHES IN SASKATCHEWAN
HEAD OFFICE - WEYBURN, SASK.
DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos. Mergens, Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn, Sask.; M. A. Miller, Weyburn, Sask.; S. E. Oscarson, Fargo, North Dakota; N. D. McKinnon, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.
A General Banking and Foreign Exchange Business Transacted.

RENE-T. LECLERC MAURICE FORGET GILLES FORGET
LECLERC, FORGET & CO.
Members Montreal Stock Exchange
Members Montreal Curb Market
direct wire connections with
Livingston & Co., New York
160 St. James Street - Guardian Building
MONTREAL
E5

The Fire Insurance Company of Canada
MONTREAL
Balance Sheet as at 31 st. December, 1927:

ASSETS

Cash in Banks	$ 161,938.07
Investments at Market Value	994,813.33
Interest accrued	7,613.27
Agents' Balances	100,423.40
	$1,264,788.07

LIABILITIES

Capital Paid	$ 250,000.00
Reserve Fund	275,883.05
Losses under adjustment	15,250.00
Reserve Deposits of Reinsurance Companies	246,568.60
Balances due Reinsurance Companies	96,753.01
Reserve for Taxes	3,162.62
Reserve for fluctuation in value of securities	50,000.00
Balance at credit of Surplus Account	327,170.79
	$1,264,788.07

Capital Subscribed	$ 500,000.00
Capital paid up	250,000.00
Surplus	327,170.79
Total Assets	1,264,788.07
Guarantee to Policyholders	1,514,788.07

Hon. Senator R. DANDURAND, K.C., P.C., President.
President, Montreal City and District Savings Bank, Director, Sun Life Assurance, Montreal Trust Company and Montreal Cotton Company.
J. A. BLONDEAU, Vice-President and Managing Director.

THE NATION'S BUSINESS

(Continued from page 1)

it pays its way. It is, therefore, in the position in relation to the Dominion government that the Ontario Hydro is in with respect to the Ontario government.

"What Mr. Guthrie relies upon to support his charge of insolvency is the financial relationship between the railway and its owners, the people of Canada. The technical obligations of the Canadian National to the government amount, acording to the records, to $1,258,000,000, though it would not be difficult to prove that this includes many large items not properly chargeable to the railway. But taking the figures as they stand, they show that the people of Canada, as owners of the railway, owe themselves, in their capacity as taxpayers, this sum of money. This debt is not a security investment and it should not be so regarded. It is an investment in ownership, and if there is no return for the time being to the owners, the railway is in the position of plenty of other businesses which have to look to the future for dividends.

"It is difficult to understand why the government persists in leaving the Canadian National Railway in a position where it can be assailed by injurious and untruthful statements of this character. Mr. Guthrie is a not unimportant man in Parliament and the country. His statement that the Canadian National is insolvent is bound to do this country and the Canadian National Railway a good deal of harm. Mr. Guthrie does not care. It is of far more importance to him that he should score a point in debate. But the government has it within its power to make it impossible for Mr. Guthrie and others to make statements of this character. All it has to do is to give the Canadian National Railway a financial structure in keeping with the facts. This would show a certain indebtedness to the investing public carrying with it charges which fall well within the net income of the company; and a stock issue representing the investment of the people of Canada. It would then be plain to all that the Canadian National Railway is capable of looking after its own debts; and that it is not in order for politicians to add them to the national debt in an attempt to misrepresent the financial position of the country."

STANFIELD'S SHOW SPLENDID POSITION

Earnings Jump to $12.04 per Share as Against $9.87 Last Year

From Our Own Correspondent

MONTREAL.—The annual report of Stanfield's Limited, covering the 1927 year, shows a remarkable gain in earnings and nothing short of a magnificent liquid position. Shareholders of the company, even though well accustomed to seeing increasing strength exhibited in the annual report each year, will be more than satisfied to learn that working capital increased to over $2,000,000 this year from $1,767,434 a year ago. Moreover, current assets are virtually six times current liabilities.

The company's balance sheet shows that if the plant shut down and the building and equipment were given away, there would still be available in what is virtually cash for each of the 10,000 common shares, after meeting all liabilities, a sum of $203 per share. Earnings per share of common stock last year were equivalent to $12.04 as against $9.87 a year ago and $8.21 in 1925.

How the company increased its earning power during the year is shown in the following comparison of income accounts over the past three years:

	1927	1926	1925
Net profit	$135,419	$113,718	$ 97,194
Less appropriations for:			
Com. divds.	40,000	40,000	40,000
Suspense	15,000	15,000	15,000
Surplus for year	$ 80,419	$ 58,718	$ 42,194
Add prev. surplus	450347	391,629	349,435
P. & L. bal.	$530,766	$450,347	$391,629

THE ROYAL BANK OF SCOTLAND
Incorporated by Royal Charter, 1727
Capital (fully paid) £2,500,000
Rest or Reserve Fund, (Oct., 1927) £2,683,226
Deposits (Oct., 1927) ...£44,186,574
Governor:
His Grace the DUKE OF BUCCLEUCH AND QUEENSBERRY, K.T.
Deputy-Governor:
Rt. Hon. the EARL OF STRATHMORE AND KINGHORNE, G.C.V.O.
HEAD OFFICE: EDINBURGH
General Manager:
Sir Alexander Kemp Wright, K.B.E., D.L.
Secretary: J. B. Adshead.
LONDON CITY OFFICE:
3, Bishopsgate, E.C. 2
LONDON (WEST END):
DRUMMONDS BRANCH, 49, Charing Cross, S.W. 1.
GLASGOW (PRINCIPAL) OFFICE:
Royal Exchange Square and Buchanan St.
224 Branches throughout Scotland.
Every description of British, Colonial and Foreign Banking Business transacted.
Accounts opened and Agency Business undertaken for Foreign and Colonial Banks and other Financial Establishments.
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CHARTERED ACCOUNTANTS
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Authorized Trustees and Receivers
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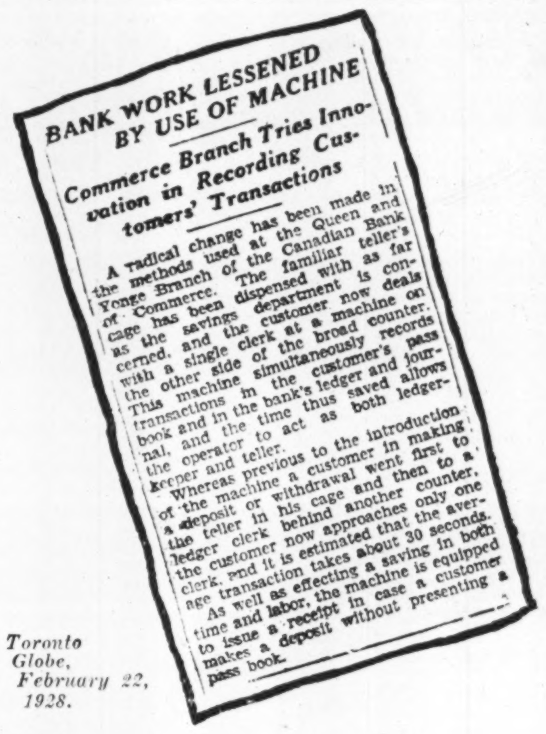
TORONTO
TORONTO
MONTREAL

A CLOSE INSIGHT INTO CANADIAN BUSINESS
In constant touch with industry and commerce from one end of the Dominion of Canada to the other, the Bank of Montreal has a close insight into all classes of Canadian business.
The Bank invites correspondence and consultation on any banking matter.
BANK OF MONTREAL
Established 1817
Total Assets in excess of $830,000,000

Unceasing Attention
to the study of how best to make our large resources and complete world-wide organization serve each of our clients individually.
—Characterizes This Bank's Service
This Bank solicits Business Accounts.
THE BANK OF NOVA SCOTIA
Established 1832
Capital, $10,000,000. Reserves, $20,000,000.
Total Assets over $260,000,000.

Our Service
THE Bank was established in 1875, and during a period of more than fifty years Branches have been established from time to time at carefully chosen points. The service at all Branches is local and personal, but it is also world-wide in scope. A moderate sized Bank—not too machine-like—with a friendly interest in its clients.
IMPERIAL BANK OF CANADA
189 Branches in Dominion of Canada



BANK WORK LESSENED BY USE OF MACHINE

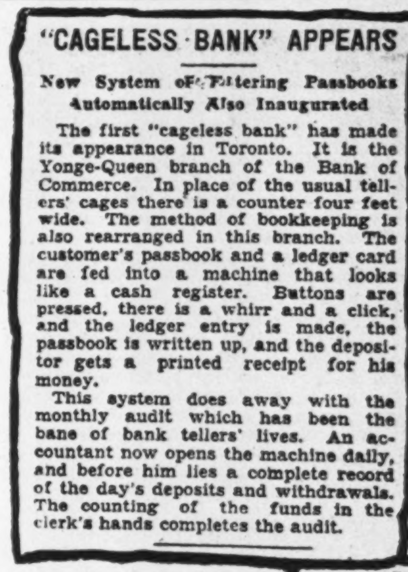
Commerce Branch Tries Innovation in Recording Customers' Transactions

A radical change has been made in the methods used at the Queen and Yonge Branch of the Canadian Bank of Commerce. The familiar teller's cage has been dispensed with as far as the savings department is concerned, and the customer now deals with a single clerk at a machine on the other side of the broad counter. This machine simultaneously records transactions in the customer's pass book and in the bank's ledger and journal, and the time thus saved allows the operator to act as both ledger-keeper and teller.

Whereas previous to the introduction of the machine a customer in making a deposit or withdrawal went first to the teller in his cage and then to a ledger clerk behind another counter, the customer now approaches only one clerk, and it is estimated that the average transaction takes about 30 seconds.

As well as effecting a saving in both time and labor, the machine is equipped to issue a receipt in case a customer makes a deposit without presenting a pass book.

Toronto Globe, February 22, 1928.



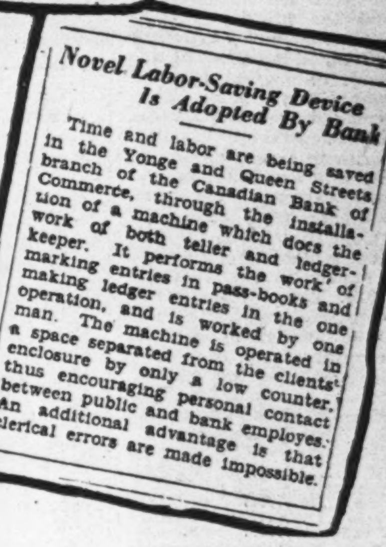
"CAGELESS BANK" APPEARS

New System of Filtering Passbooks Automatically Also Inaugurated

The first "cageless bank" has made its appearance in Toronto. It is the Yonge-Queen branch of the Bank of Commerce. In place of the usual tellers' cages there is a counter four feet wide. The method of bookkeeping is also rearranged in this branch. The customer's passbook and a ledger card are fed into a machine that looks like a cash register. Buttons are pressed, there is a whirr and a click, and the ledger entry is made, the passbook is written up, and the depositor gets a printed receipt for his money.

This system does away with the monthly audit which has been the bane of bank tellers' lives. An accountant now opens the machine daily, and before him lies a complete record of the day's deposits and withdrawals. The counting of the funds in the clerk's hands completes the audit.

Toronto Star, February 21, 1928.



Novel Labor-Saving Device Is Adopted By Bank

Time and labor are being saved in the Yonge and Queen Streets branch of the Canadian Bank of Commerce, through the installation of a machine which does the work of both teller and ledger-keeper. It performs the work of marking entries in pass-books and making ledger entries in the one operation, and is worked by one man. The machine is operated in a space separated from the clients' enclosure by only a low counter, thus encouraging personal contact between public and bank employes. An additional advantage is that clerical errors are made impossible.

Toronto Mail & Empire, February 22, 1928.

THE LAST WORD IN MECHANICAL ACCOUNTING FOR CANADIAN SAVINGS BANKS

OVER 1,000 National Posting Machines are in use in American Savings Banks.

This machine has now been specially adapted to meet Canadian Banking conditions, and given a thorough test by The Canadian Bank of Commerce.

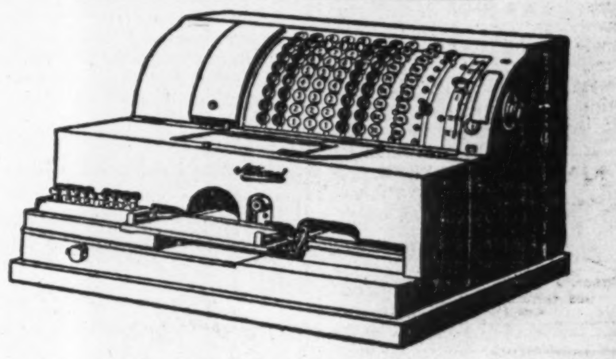
Under practical working conditions in Canada, the machine has proved its reliability, its accuracy and its speed. Time, labour and space have been saved — costly errors prevented.

These press clippings pronounce the verdict: "Proved Successful."

This new machine in the field of mechanical accounting has been adapted and applied to all kinds of bookkeeping and analysis work, such as: — Instalment business, sales analysis, pay roll, cost or expense distribution, purchase analysis, distribution of remittances received, stock and production control and other accounting work.

Full particulars on application to: —

The Bank of Nova Scotia will use their first "National" Posting Machines at Toronto Main Branch.



NATIONAL CASH REGISTER COMPANY OF CANADA LIMITED
Banking Division, Bloor and Dufferin Sts., Toronto, Ont.

U.S. SHOULD GIVE TO HER DEBTORS CHANCE TO PAY

Shipping Board's Policy of Replacing Ships Sold is Criticized

PROHIBITIVE TARIFFS

British Economist Says States Will Continue to Run Merchant Vessels at Loss

By HARTLEY WITHERS
(the famous economist)

Should not a world creditor give its debtors a fair chance of earning a living? And if it does not, should it not kindly explain to them how they are to pay their debts?

These questions are suggested by the apparent tendency of opinion in the United States towards a policy which will make that country self-sufficing, as far as possible, for all its material needs and at the same time turn it into a provider, by means of State-subsidized enterprise, of services for itself and other countries, while nevertheless expecting its debtors, scattered all over the world, to pay back the money which, as Mr. Coolidge has expressed it, they "hired" from it during and after the war.

That America should expect these debts to be paid has always seemed to me to be a most just and reasonable attitude on her part. The argument so often put forward on the Continent and sometimes also heard in England, that we who fought on the Allies' side were all comrades whose fortunes were equally at stake, and that therefore all our mutual obligations ought to be wiped out, is remarkably thin as applied to America. It is absurd to contend that her interest in victory was as much a matter of life and death as ours on this side of the Atlantic; and many of her inhabitants believed, with a good deal of reason, that they were intervening to rescue Europe from the consequences of its barbarous inability to keep the peace and that if America made too much concession in the matter of war debts, it would only encourage the nations of Europe to arm for an equally barbarous and much more destructive contest later on. Moreover we have to remember that the concessions actually made by the United States, in the debt settlements arranged, were substantial and generous. The British debt, originally contracted at 5 per cent, was compounded on a 3 to 3½ per cent. basis, and in the case of other countries whose capacity to pay was less than England's, much more sweeping concessions were made. It is, therefore, surely most unjust and unreasonable for the "Ally" debtors to represent Uncle Sam as a hard and unconscionable creditor in the matter of the debt settlements.

Method of Payment

When we come to the question of the method of payment, America's debtors have plenty of reason on their side when they point out that she has put big difficulties in their way and is now proposing to put more, and the very interesting question arises as to how far a creditor can expect its debtors to meet their obligations if it deliberately adopts a policy which tends to prevent them from so doing.

Before the war, as we all remember, the chief international creditor was Great Britain and she took payment of her debts in goods which she welcomed with a wide open door and free from all restrictions by tariff. She did not do so deliberately in order to help her debtors to pay, but only because she thought that that was the best policy for herself. But there the fact was, and moreover, at times when the policy of free trade was questioned and a Protective tariff was demanded for British industries, one of the arguments used in support of free trade—I have used it myself over and over again in the course of now forgotten controversies—was that as a world creditor England could not expect her debtors to pay what they owed unless she gave them a free market for their goods, since it was only by providing those goods that it was possible for them to attempt to pay. And in those days, be it remembered, the debts due to England were the result of private commercial and financial transactions, with which the Government had had nothing to do; so there was all the less reason why they should be considered in shaping public policy than there is in these times, when the most important international debts are inter-Governmental affairs.

Prohibitive Tariffs

In America the connection between trade policy and the position of the world creditor does not seem to have been clearly grasped. Not only have the United States maintained a system of prohibitive tariffs on manufactured goods, obliging their debtors to make such payments as they could by sending articles such as tea, coffee and rubber which cannot be produced in America, but a Bill has lately been passed by the Senate by which the American Shipping Board is instructed not to sell any of the ships owned by it, except on the unanimous vote of all its members, and to prepare a scheme of replacement involving, according to estimates made by the Board, an outlay of 250 million dollars, spread over fifteen years. It is understood that the President is opposed to this measure, but there is said to be a good chance that it may nevertheless become law and the natural result will be that the American Government will continue and extend the policy under which it is estimated to have spent some £600 millions in running merchant ships at a loss.

At first sight this is only the concern of the American taxpayer, who may think it well worth while to be taxed for the privilege of owning a mercantile fleet. But shipping services have been one of the means by which England and other ship-owning countries have been able to do something towards paying their debts to America. Moreover, Germany has been rapidly restoring her mercantile fleet and its earnings are one of the sources out of which Reparation payments, from which so many of the "allied" nations hope to meet their obligations to America, may be earned; so that if American ships, subsidized by the enormous wealth of the world creditor, are going to drive the ships of other countries, which have to try to earn a profit, off the seas, the world debtors will be justified in wondering whether the moral obligation of a debtor is modified when the creditor makes it more and more difficult for him to pay. So far, the lavishness with which America has been lending abroad has prevented this problem from becoming acute. But that only means that it will be all the more acute some day.

Public Utilities Grow Rapidly

A COMPARISON OF THE GROWTH OF SIX OF THE LEADING CANADIAN PUBLIC UTILITY COMPANIES DURING THE PAST SEVEN YEARS

	Montreal Tramways	Montreal Power	Brazilian Traction	Bell Telephone	Consumers Gas	Winnipeg Electric
Capital	$ 5,000,000	2,041,837 shs.	$106,576,000 com. 10,000,000 pfd.	$59,080,400	$12,000,000	$15,000,000 3,500,000 pfd.
Bonded Debt of Company & subsidiaries.	$41,823,343	$56,680,700	$67,692,706	$40,000,000	None	$16,378,000
Net Income	$679,159	$7,062,567	$12,278,684	$2,465,878	$1,868,756	$869,569
Population Served	1,000,000	1,000,000	2,075,000 traction 2,400,000 gas & pr. 6,800,000 'phones	5,600,000	600,000	280,000
Percentage growth in last seven years:						
Car passengers	9%	....	32%	....	....	†9%
Car miles	8%	....	18%	....	....	*
Power customers	...	34%	50%	....	....	*
Gas customers	...	23%	29%	....	....	*
Power supplied	...	29%	44%	....	....	†40%
Gas supplied	...	15%	45%	....	*	†6½%
Telephones	...	....	27%	70%	....	..
Earned on common last fiscal year	$16.98 $10 paid	$3.37 $2 paid	$10.40 $5 paid	$5.05 $8 paid	8.81% $10 paid	$3.27 $2 paid
Common Stock prices in 1927:						
High	195	96½	223	164	200	112
Current	195	93	221	160	197	112

*Figures not available. †Since 1924 only. —Compiled by Flood, Potter and Co.

Tucketts Stands to Gain by Higher Consumption

Second of Large Canadian Companies in This Field Has Exceptionally Strong Directorate

Tucketts Tobacco Co. is the second largest of the Canadian tobacco companies and thus stands to benefit materially from the enormous increase in cigarette consumption in Canada despite failure of the government to reduce taxes.

This company operates a factory at Hamilton which is efficiently equipped and has interests in the tobacco areas of Southwestern Ontario. It is aggressive in marketing and a consistent advertising policy is assisting in building sales. Its goods include several varieties of cigarettes, cigars, and pipe tobaccos in order to supply demands of consumers of differing tastes and purchasing power.

Dividends Are Regular

There are few companies in Canada with more conservative financial policies and not many with as consistent a dividend record. Although earnings have fluctuated considerably since 1921 under onerous taxes and unfavorable economic conditions, a 4 per cent. dividend record has been maintained throughout, as well as the 7 per cent. dividend on the preferred stock. In this period the corporate surplus has grown from $620,930 to $1,007,695 at the end of 1926.

The issued capital consists of $2,000,000 of 7 per cent. preferred and $2,500,000 of common stock, both classes of $100 par. The properties show in the balance sheet at $1,179,276 and goodwill is carried at $2,478,672. Working capital is $2,461,146. Reserves total $620,000.

Sir Herbert Holt and Sir Charles Gordon are two leading financial men on the board. New York interests are represented by R. M. Ellis and T. B. Yuille. Other directors are H. S. Ambrose, president, H. H. Champ, vice-president Steel Company of Canada; Major-General the Hon. S. C. Mewburn, Earle Spafford and W. E. Phin, president of Dominion Power and Transmission Co.

The common stock recently has been selling up to par. The low for 1927 was 69.

"Beer" Will Benefit By New Legislation

From Our Own Correspondent

MONTREAL.—The shareholders of the National Breweries will be favorably affected by the legislation which the Province of Quebec is to adopt permitting the taverns to remain open one hour longer at night to combat the "blind pig" evil.

Last summer, the breweries in the province benefitted materially when the government allowed the taverns to keep open until 10 o'clock standard time. In 1926, when daylight saving was in force in any community, the taverns had to keep daylight saving time.

Hence, if cities such as Montreal decide to have daylight saving this summer, it will mean that beer will be sold until midnight. There can be no doubt that the profits of National Breweries will be increased materially by the legislation, which will allow the taverns to do one hour's extra business at night.

Following the introduction by the provincial treasurer of this amendment to the Quebec Liquor Act, further strength in the shares of National Breweries developed. Bradings' Breweries, which sells both in Ontario and Quebec, will also benefit.

Net earnings of Canadian National Railways for 1927, totalled $42,100,000, as compared with $3,000,000 in 1922.

National taxation in Canada will be reduced by $19,000,000 this year, including a 10 per cent. reduction in personal income.

'PEG ELECTRIC WILL NOT SPLIT COMMON SHARES

Felt That Split Up Will Probably be Delayed For Some Time

From Our Own Correspondent

MONTREAL.—The latest information obtained by The Financial Post from well-informed sources indicates that it is not the intention of the management of Winnipeg Electric to split the shares immediately. The recent supplementary letters patent which the company obtained from the government merely allowed it to change its shares from $100 par value to no par value.

While those with a knowledge of the company feel that the shares will remain as they are for some time, yet there always remains a possibility that at any directors' meeting some action might be taken to split the shares. In the meantime, much of the buying of Winnipeg Electric stock comes from the West which indicates that those with a personal knowledge of the company regard favorably the outlook for its future.

The official figures covering the year's operations have not yet been published, but an increase of about $95,000 applicable to dividends on the preferred and common is anticipated. Such an increase compares with net earnings last year of $757,069.

Subsidiary Aids Company.

Winnipeg Electric has 110,000 shares of common stock outstanding. The $1 increase in the dividend last year has been more than offset by the $2 dividend declared by the Manitoba Power Company. About 62 per cent. of the Manitoba Power Company's shares are held by Winnipeg Electric which thus received over $120,000 in the initial dividend of its subsidiary.

The annual $2. disbursement by the subsidiary will probably be paid again at the end of 1928. With the increased revenue which the company now obtains from its subsidiary, together with the general increase in the power demand in Winnipeg, there now appears to be no doubt that Winnipeg Electric stock will this year pay $4 a share

NORTH AMERICA
EUROPE
ASIA

International Commerce

THE current of world trade was running in the direction of Canada before the Great War, and running at such a strong pace that even the greatest conflict in history could not stem it. In the short space of 13 years, from 1913 to 1926, the physical volume of Canada's exports doubled. To-day, Canadian grain and flour are sold in 54 countries—rubber belting manufactured in Canada turns the wheels of industry in South Africa—Canadian cement is used in construction projects in Brazil—Roumania buys automobiles made in Canada.

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182

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By order of the Board.
WALTER F. WATKINS,
Secretary.
Toronto, February 15th, 1928.

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Following the rules in this book, you will avoid the mistakes most commonly made. You will be less likely to be diverted into experiments and speculative ventures, which often lead to disappointment and ultimate loss. You will profit by the example of those who have built up a substantial income from investments. With it you can work out a plan suited to your present earnings, your expectations and your future needs.

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Depreciation Policy of Canners Accords With Sound Business

But Some Reduction in Write-offs Expected Next Year

COMPANY IS STRONG

Balance Sheets Compared for Three Years Indicates Steady Growth of Resources

Financial Toronto is discussing the question of depreciation set up in Canadian Canners' annual statement. The total depreciation reserve now stands at $2,985,667 against fixed assets carried at $13,854,369. This is better than 21 per cent. depreciation in a period of less than six years. The write-off in the last two years has been at slightly under 4½ per cent. on plant and equipment.

At the end of 1925, the depreciation reserve was $1,739,418. At the end of 1926 this had been increased by $626,392 to $2.365,810 and the write-off of $619 856 for last year brings the total to $2,985,667.

Some Are Disappointed

Some disappointment has been expressed at the published income account of the company. It had been reported authoritatively that the company did 20 per cent. more business, in volume and prices, in 1927 than in 1926. But the profit and loss account shows net profit of only $577,133, compared with $539,401 the previous year. The profit and loss statement follows:

PROFIT AND LOSS

	1927	1926	1925
Profits	$813,465	$777,229	$722,423
Bond interest ..	236,332	237,828	83,893
Int. on loans ..	....	....	158,159
Net profit	577,133	539,401	480,371
Pref. div.	318,997	364,568	295,874
New 1st pf. div.	68,356	....	....
2nd pref. div. ..	54,685	....	....
Inv. & cont. res.	......	650,000	....
Balance	135,095	x475,167	184,497
Prev. bal.	520,454	995,621	881,123
P. & L. bal. ...	$655,549	$520,454	$995,620

xDebit.

The opinion was expressed in an authoritative quarter this week that the company in future probably would be slightly more moderate in appropriating for depreciation, but there was scoffing at the idea that the appropriation might be reduced by $300,000 annually in the near future. Plant maintenance is dealt with as an operating charge.

Although the impatient type of shareholder is apt to note with chagrin that the directors of the company are setting aside large sums for depreciation and other reserves, this policy is defended by most individuals with a knowledge of industrial activities, as sound business. There are a number of horrible examples of business concerns suffering because directors were not providing for contingency beyond hoping for continued good times. And many companies can be pointed out which are wholly sound because directors always have found means of retaining a large percentage of the earnings in the business.

Shareholders who may have anticipated an immediate market move following the report, are the only ones who have real reason for quarrelling with a financial policy which retains a large proportion of earnings within the business as reserves in one form or another. Assuming that the reserves are used to good purpose and the business is a sound one, it is safe to say that ultimately a much greater return can be expected by the shareholder and a consequent advance in the market value of the securities.

While immediate earnings, as shown in the foregoing profit and loss account, reveal no startling growth, study of the balance sheets for the last three years indicates a steadily improving position and enhanced business.

At the end of 1925, current assets of this company totalled $4,255,391. These had been increased to $5,729,417 at the end of 1926 and to $5,956,808 at the end of 1927. Inventories are up, as was expected, in view of the jobbers' buying policy. It was reported in the last season that this company was packing considerable quantities of goods although the crops generally were rather poor. It happened that the crops were good in one or two districts in which this company operates plants. It may be pointed out, in this connection, that the company, as the largest in Canada, has plants in nearly all of the fruit districts, so that a failure in one district means that operations are shifted to another without loss of revenue. The inventory at the end of 1925 was $3,716,968, at the end of 1926 it was at $4,986,582, and at the end of 1927 it stood at $5,525,951.

Also, in this connection, it is well to remember that the company's fiscal year ends at the time when stocks on hand would be almost at their peak.

Bank Loan Reduced

Current liabilities show a material decrease over the previous year. At the end of 1925 this item stood at $1,373,122. At the end of 1926 it was $2,247,788 and at the end of 1927 it was reduced to $1,663,796. A year ago the company owed its bankers $1,559,095. This had been reduced to $850,417 at the end of 1927 despite the larger inventory. At the end of 1925, the bank loan was $792,295 against a smaller inventory than in any of the three years. Contingent liabilities, largely customers' paper discounted, remain at about the same figure as a year ago. The guaranteed bank loans of subsidiaries total $368,787 now, as compared with $295,980 a year ago, and are not included in the foregoing figures.

Funded debt of the company has been decreased from $4,029,535 to $3,968,127 in the last year. The rearrangement of the capital stock effected in December is shown in this balance sheet. There are now authorized 50,000 shares of $100 par 6 per cent. cumulative first preferred stock, of which 45,571½ shares are issued and show, as a liability to shareholders, at $4,557,150. This is exactly half the amount of 7 per cent. preferred shares which have been converted. The basis of conversion was one-half share of new first preferred and four shares of non-par second preferred for each share of old preferred.

The second preferred stock is in receipt of dividends at the rate of 60 cents the year. It is redeemable at $20 the share and is limited to $1 dividend annually, non-cumulative. After the second preferred receives 60 cents dividends, the common stock receives payments in increasing ratio so that both classes reach a $1 basis simultaneously. The second preferred is convertible into common on a share-for-share basis and the notice of redemption does not extinguish the right of conversion.

Is Investment Stock

In view of the fact that the company should be able in all circumstances to earn its first preferred dividend, the new first preferred stock eventually will appeal as a first rate investment stock. The company, it should be remembered is the largest canning company in the British Empire and among the first few in the world, and there is no question that the canning industry is here to stay as an essential industry. The company is unique in that it manufactures most of its own machinery and its tins and shipping containers. It maintains an experimental and testing laboratory which is one of the best of its kind operating under private auspices.

The first preferred has been somewhat slow, it would seem, in finding its way into investment hands, and current prices of 89 to 89½ give an unusually high yield for a sound preferred stock. Apparently, many of the holders had been interested speculatively in the old preferred and have been inclined to let it go in the recent market situation which compelled many speculators to lighten their marginal loads.

Two Speculative Stocks

The second preferred and the common are considered somewhat attractive from a speculative point of view, with the second preferred selling a point or two higher on the fact that it is now in receipt of dividend, whereas, unless there is a reduction in pre-dividend appropriations next year, the prospect of a dividend on the common still is far in the future.

The second preferred has been steadily at or slightly above 20 through most of the reactionary period in the Canadian market in the current quarter. It is reported that a block of from 8,000 to 10,000 shares is overhanging the market and there is selling in some volume whenever the stock moves up a point or two. There is a total of 364,752 shares of the second preferred and 136,950 shares of the common stock outstanding.

Canners' annual meeting will be held at Hamilton on March 21.

Shawinigan May Buy LaTuque Power Site

From Our Own Correspondent

MONTREAL. — The news, first published by The Financial Post, that the Shawinigan Water and Power Company was considering the development of further water power sites on the St. Maurice River, is confirmed in the information that the power company is applying to the provincial government at Quebec to purchase one of the large power sites situated on the river above La Tuque. The location of the site is about 150 miles from the St. Lawrence and about 250 miles from Montreal. No information regarding just how soon Shawinigan proposes to develop the site is forthcoming.

CONS. FOOD PROD. COMMON PLACED ON TORONTO CURB

New Grocery Store Chain Has Outstanding 114,500 Shares

Consolidated Food Products, Ltd., common stock has been called for trading on the Toronto Curb market. The company has an authorized capital of 200,000 shares of no par value, of which 114,500 are outstanding.

Consolidated Food Products was recently formed to act as a holding company for the consolidation of Arnold Bros. and Pure Food Stores. Under the scheme common shareholders of Arnold's receive one new share for one old and those of the latter company receive two new shares for each of the old. It is understood that the majority of shareholders of both companies have made the exchange.

It is further understood that under the terms of the agreement Pure Food Stores receives $125,000 for the sale of its treasury stock, which sum will be used for the construction of a modern warehouse to be used in the handling and distribution of supplies to its chain. This will add to the equity behind the stock of the preferred shareholders in this company.

Second Largest Chain

There will be 126 stores under control of Consolidated Food, thus forming the second largest grocery store chain in Canada. Of these 68 are in the Arnold group and 58 in that of Pure Food. Nearly half of these stores are located in Montreal; 40 in Toronto; 13 in Ottawa; 2 each in London and Oshawa; and the balance in numerous Ontario towns.

It is not the intention to change the present policy of the two chains. Both are of a distinctive type and their advertising and goodwill value will be retained.

M. Zahler, president of Pure Food Stores, will occupy the position of general manager for Consolidated Food Products. So far the president and board of directors have not been elected, but this will be done as soon as the date expires for the exchange of common stock.

CAN. LOCOMOTIVE TURNS OPERATING LOSS TO PROFIT

Railway Equipment Orders Keeps Company Busy in 1927

Net operating profit of $263,741 is the record of Canadian Locomotive Co. for the calendar year 1927, in contrast to net operating loss of $46,694 in the previous eighteen months, the last period for which a report was issued. The 1927 figure compares with $394,049, which was the average operating gain in the previous fifteen years.

After adding investment income, etc., the company completed 1927 with earnings of $316,438, from which is deducted bond interest of $90,000 and $100,000 for depreciation, leaving a profit and loss balance of $126,438. Preferred dividends took $105,000 and sinking fund $15,000, so that $6,438 is carried forward to profit and loss, which with previous balance is $637,196.

There are few changes in the balance sheet. Depreciation account stands at $300,000, instead of $200,000. Bank loans are up $150,000 to $275,000, probably on account of greater trade activity. Other current liabilities are down, the total, including bank loan, standing at $434,555, compared with $348,336 a year ago. Additions to plant during the year total $150,942, these assets now standing at $3,954,079, before depreciation. Goodwill still is carried at $1,000,000. Investments, comprising government or guaranteed bonds, are down $4,000 to $1,081,870. Current assets are up from $273,314 to $434,555.

Four Appointments Made by Brit. American - Western

J. L. McCulloch, who has been connected with the automobile department of the British America and Western group of insurance companies for a number of years, has been promoted to the position of automobile claims inspector. Mr. McCulloch has had a long experience with these companies and his promotion will be deservedly popular.

John Wilson has been appointed automobile underwriter. Mr. Wilson has been in charge of the automobile department of the Employers for the past five years. Previous to that he was in the fire department for two years. He was with the Workmen's Compensation Board prior to that. While Mr. Wilson is still a young man, his wide experience in the automobile field admirably fits him for his new position with companies of the size and standing of the British America and Western.

William T. Ferguson, who has been for some years past casualty inspector of the Dominion of Canada Guarantee & Accident Insurance Co., joins the group as casualty inspector with headquarters in Toronto. Mr. Ferguson has had a very wide experience in the casualty business and is favorably known both to agents and the public.

Fred Wagstaff has been appointed as one of the inspectors of the companies' fire department in the Province of Ontario. Mr. Wagstaff has been with Reed, Shaw and McNaught for the last eighteen months as inspector. Prior to that he was for four years with the Canadian Fire Underwriters Association, having previously had office experience with two companies.

Randolph Hotel Building Will be Ready on Schedule

It is expected that the Hotel LaSalle, now being constructed by the Randolph Hotel Co., at Kingston, will be completed before May 1st next. This will be in ample time to prepare for the tourist traffic, and the 140 rooms then available should meet the demands of the traveling public.

Kippen Co., of Montreal, brought out a $250,000, 6½ per cent. bond issue on this hotel last fall. An estimate of the earnings at that time show a net return of $67,000, equivalent to over four times the annual bond interest requirements. This is without any allowance for revenue to be derived from six stores on the ground floor of the hotel.

WHEN REMITTING
SEND
CANADIAN NATIONAL EXPRESS
MONEY ORDERS

Wineries Merger Soon to Seek Funds

Another and different type of beverage stock will come on Canadian stock exchanges shortly. Negotiations are practically completed for the merger of at least five of the Niagara Peninsula native wine companies. A Toronto financial group will make an offering of stock in the new winery merger and intend to list the shares on the Toronto Stock Exchange.

Native wine industry of Ontario has long been prosperous but because of the ban on the advertising of its products in Ontario, it is not as well known to the general public as it might be.

LAURA PREFERRED DROPS SLIGHTLY AS SOME CALLED

But No Holder is Asked to Part With More Than Fifth

From a high for the year of 136, the convertible preferred stock of Laura Secord has receded several points, partially perhaps in the generally dull market and partially through the fact that a portion of the stock was called for redemption at 110. The high price of the year was 136, and current quotations are under 130. The preferred is convertible into common on the basis of one preferred for three common. The high for the year on the common was 44½, and the recent price has been 38.

Calling of a portion of the stock caused some difficulty in brokers' offices where stock was carried on margin. The shares were not earmarked for individual clients. The difficulty was overcome, it is understood, by pro-rating the call. The call was by lot, but no shareholder was asked to part with more than 20 per cent. of his holdings. Most of the holders decided to convert their stock.

The preferred stock sinking fund of 20 per cent. of earnings after preferred dividends became operative after December, 1927.

Playfair to Build Elevator on Toronto's Waterfront

Toronto Harbour Commissioners announce the completion of negotiations with Jas. Playfair, of Midland, Ont., and associated interests, for the acquisition of a site on the new waterfront properties for a large grain elevator development of the most modern design.

Present plans call for the immediate construction of a 1,000,000 bushel reinforced concrete elevator, from designs prepared by C. D. Howe & Company, elevator engineers of Port Arthur, Ont.

Provision has been made to permit the erection of additional storage of 1,000,000 bushels as requirements may warrant.

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Metropolitan Bldg., Toronto

SOME OBJECTION TO SCOTIA TRAMS FINANCING PLANS

Group of Shareholders Vigorously Protest Recently Accepted Plan

Dissatisfaction with the proposed reorganization of the Nova Scotia Tramways & Power Company has led to the vigorous protest of a group of shareholders headed by E. F. Stevens and J. L. McDuff. This group of shareholders state, through Mr. Stevens, that they are prepared to go all lengths to prevent the recently decided-upon reorganization plan being consummated, even to the extent of appealing to the Public Utilities Board and the courts, should the Nova Scotia Legislature pass the Bill of reorganization.

The plan of reorganization referred to is that passed at the recent shareholders' meeting, and proposes the calling in of the outstanding issue of $3,682,500 first and general mortgage bonds, the creation of a new 5 per cent. 1st mortgage issue, 25,000 new six per cent. cumulative preference shares of $100 par, and 40,000 shares common of no par value. Also a further issue of 32,013 shares of new preference to be issued on basis of 1.54 new shares for each old share, thus liquidating preferred dividends.

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John J. Fitzgerald, President
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THE STORE FOR MEN

New "Stetsons"
Speak of Spring

THESE famous Stetson Hats, in their new shades and shapes, are sure to prove popular with all young men this Spring. A variety of curl brim, welted edge and raw edge brim styles in shades of light grey and fawn. All sizes. Priced at $10.

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—and another good year for
THE COMMERCIAL LIFE

	Increases 1927 over 1926	Increases 1926 over 1925
Business in Force increased	33.2%	9.4%
Assets	25.4%	22.2%
Reserves	29.3%	28.2%
Premium Income	25.0%	15.7%
Total Income	28.2%	7.1%
Interest Income	39.8%	26.2%

Average Rate of Interest Earned, 7.7%

Year	Business in Force	Assets	Policy Reserves	Premium Income	Total Income	Interest Income
1918	$ 184,000	$ 71,905	$ 11,825	$ 5,578	$ 11,278	$ 2,873
1920	723,000	109,699	29,763	22,586	53,444	5,963
1922	3,920,359	229,725	123,938	89,368	143,787	11,422
1924	5,754,629	400,866	312,463	156,998	195,791	15,181
1926	6,720,998	611,909	519,962	223,174	252,492	28,681
1927	9,044,361	767,490	672,091	279,055	323,747	40,102

BOARD OF DIRECTORS

R. H. Cautley, Esq., (President), Edmonton; Dr. E. W. Allin, Esq., (Vice President), Edmonton; Sheriff L. G. Calder (Vice President), Saskatoon; W. T. Henry, Esq.; W. W. Prevey, Esq. M.L.A.; H. W. B. Douglas, Esq.; J. W. Glenwright, Esq., Edmonton; W. Fletcher Bredin, Esq., Grande Prairie; Geo. H. Hutton, Esq., Calgary; F. O. Hodgson, Esq., Vancouver; John East, Esq., Saskatoon.

Managing Director—J. W. Glenwright, Esq.; Secretary, E. B. H. Shaver, Esq.
Medical Referee—E. W. Allin, Esq., M.D., C.M.
Consulting Actuary—C. C. Sinclair, Esq., F. A. S., Winnipeg
Agency Registrar—W. E. Smith, Esq.; Chief Accountant—H. E. Chillman, Esq.
Statistician—D. M. Robertson, Esq.

REGINA—J. A. Snider, Esq., Manager; CALGARY—M. R. Morrison, Esq., Manager;
SASKATOON—Thos. Murphy, Esq., Manager.

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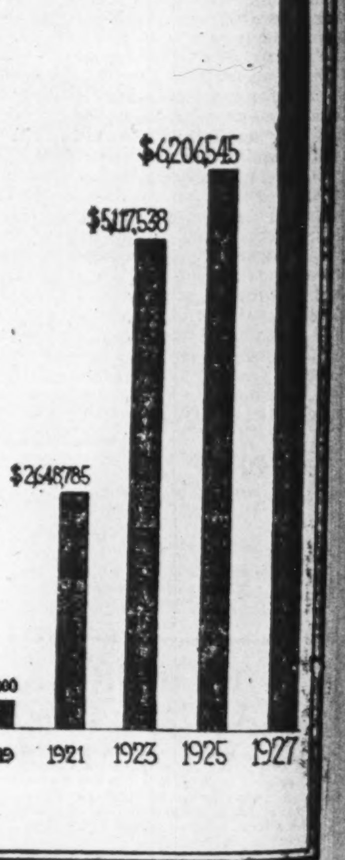
COMMERCIAL LIFE ASSURANCE COMPANY
HEAD OFFICE, EDMONTON
Sound as the Dominion

This diagram graphically shows the remarkable progress of The Commercial Life,—a progress that in the history of Canadian life insurance has seldom been equalled.



We deal in—

C.P.R. 4½%	1944
Bell Telephone 5%	1957
Quebec Power Co. 6%	1953
Quebec Rly. 5%	1939
Wayagamack 6%	1951
Wayagamack 6½%	1930
Montreal Tramways 5%	1941
Montreal Tramways 5%	1955
Duke-Price Power 6%	1966
Manitoba Power 5½%	1951
Laurentide Power 5½%	1946
Montreal Power 5%	1951
United Securities 5½%	1952
Gatineau Power 5%	1956
Gatineau Power 6%	1941
Anticosti Corp. 6½%	1941
Anticosti Corp. 7% Preferred Shares	
Canada Steamship 6%	1941
International Paper 6%	1941

At all times we are prepared to submit satisfactory bids for the purchase, in odd lots, of Canadian Government, Municipal and high-grade Corporation Bonds.

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We offer and recommend:

General Steel Wares Limited

7% Cumulative Preferred Stock

Price: 101 and accrued dividend to yield 6.93%.

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News of Investment Markets

CANADA GYPSUM TO CALL ITS BONDS

New $2,500,000 Issue Made to Finance Expansion in West

From Our Own Correspondent

MONTREAL.—The recently completed expansion into the West of Canada Gypsum and Alabastine works out well for the original bondholders of the company, for the $1,250,000, 6½ per cent., first mortgage issue offered last summer to investors is to be called at 105 on August 1 next. The issue was sold only a few months ago at par to finance the merger of companies resulting in the Canada Gypsum and Alabastine.

To finance the acquisition of the Manitoba Gypsum Company and its subsidiary, the British Columbia Gypsum Company, and to redeem the original bonds, the Royal Securities Corporation is offering a new 5½ per cent., first mortgage, 20 year, $2,500,000 bond issue of the Canada Gypsum and Alabastine.

The particulars of the new offering follow:

$2,500,000
Canada Gypsum and Alabastine, Limited
5½% First Mortgage, 20-year Sinking Fund Bonds, Series "A"

Capitalization:

	Authorized	Outstanding
First mort. bonds	$4,000,000	x$2,500,000
6% 20-year deb.	1,000,000	1,000,000
Common shs. (n.p.v.)	100,000 shs.	75,994 shs.

xOf Series "A", 5½%, this issue.

The Company: Is the largest manufacturer of gypsum products; sole producer of alabastine, and a large manufacturer of hydrated lime and similar products. The company's mines and plants are located in British Columbia, Manitoba, Ontario, Quebec and the Maritimes.

Sales: Consolidated sales have increased from $2,200,000 in 1923 to $4,175,000 in 1927. The export demand has grown.

Assets: Fixed and current assets are valued at more than twice the total bonds outstanding.

Earnings: In 1927 were equal to nearly five times the bond interest requirements.

Sinking Fund: Equal to 2½ per cent. of bonds outstanding, plus interest on bonds redeemed Commences March 1, 1929. Will retire by maturity more than 80 per cent. of the present issue.

Offered: March, 1928, by the Royal Securities Corporation at 97½ to yield about 5.7 per cent.

Winnipeg Patent Medicine Company Offers Common

The Acme Products Ltd., are making a public offering in Winnipeg of 15,000 shares of $10 par value common stock at par.

This company has been organized by Winnipeg people for the purpose of manufacturing patent medicines in Canada, the United States and other countries in North and South America. It has an authorized capital of $600,000, of which only $150,000 is now being offered.

Acme Products, Ltd., in their first announcement, do not list the names of the products which they will manufacture or sell. Reference is made, however, to several well-known patent medicine brands and attention drawn to the very large profits made thereon.

Upon completion of this offering, it is the intention of the directors to make application for listing, presumably on the Winnipeg Stock Exchange.

Bond Notices

Great Northern Power Corp. is redeeming on May 1st next all of its outstanding first mortgage 6 per cent. 20-year bonds, series A, at 102½ at the head office of the Royal Bank of Canada in Toronto and Montreal or at the option of the holder at the office of the trustee in either of the above cities.

BOND REDEMPTIONS

	Rate	Due	Redeem.	Price
Shawinigan "D"	5½%	1954	Apr. 1	105
Do., "E"	5%	1955	Apr. 1	105
Pt. Alf. Pulp "B"	6½%	1943	Apr. 1	104½
Canada Cement (Old company)	6%	1929	Mar. 31	110
Donnacona Pap.	6%	1940	Apr. 17	105
Donnacona Pap. Deb. B.C.D. & E.)	6%	1927	Mar. 19	102
United Grain Growers	6%	1940	July 1	105
Spanish Riv. P.&P. Series "A"	8%	1941	May 1	106
St. Francis W.P.Co.	6½%	1929	June 1	102
St. Francis W.P.Co.	7%	1930	Aug. 1	102
St. Maurice Power	6½%	1953	Aug. 1	107½
Beauharnois Elec.	5%	1942	Sep. 1	105
York St. Bldgs.	6½%	1940	Apr. 1	103

This Week's Bond Sales

FORD CITY

Harris, MacKeen & Co., were the successful tenderers for an issue of $324,823, Ford City 5%, 5, 10, 15 and 20-instalment bonds on a bid of 98.532. The bids were:

Harris, MacKeen & Co.	98.532
Royal Securities Corp. and Matthews & Co.	98.057
McLeod, Young, Weir & Co.	97.28
C. H. Burgess & Co.	97

City of Hamilton

Five blocks of City of Hamilton 4½% and 6% bonds, comprising in all $1,091,626, were awarded to A. E. Ames and Company and the Bank of Nova Scotia at 100,283, which is equal to a cost basis of 4.53%.

The issue is comprised as follows:

Amount	Rate	Due
$ 56,021	6 %	Feb. 1, 1929-42
400,000	4½%	Oct. 1, 1928-47
635,605	4½%	Mar. 1, 1929-48

The bids were:

	4½% & 6%
A. E. Ames & Co.: Bank of Nova Scotia	100.28
McLeod, Young, Weir & Co.; Matthews & Co.	100.177
Royal Securities Corp.; R. A. Daly & Co.	100.05
Bank of Commerce; Fry, Mills, Spence & Co.	99.92
Bank of Montreal	99.688
Wood, Gundy & Co.	99.64
Bell, Gouinlock & Co.; Dyment, Anderson & Co.	99.604
Dominion Securities Corp.	99.581
C .H. Burgess & Co., Aird, McLeod & Co.; Graham & Co.	x98.87
Gairdner & Co.	†107.65

x4½%. † 6%.

MARITIME FOUNDRY FIRMS CONSOLIDATE

Stock Now Being Offered in New Operating Company

Stock of Enamel and Heating Products, Ltd., recently formed as a merger of two well-known Maritime foundry firms of Charles Fawcett Ltd., and Amherst Foundry Co., is being publicly offered by H. B. Robinson and Co. The present offering amounts to 29,000 no par value common shares.

Details of the issue follow:

29,000 Shares
No Par Value Common
Enamel & Heating Products, Ltd.

Capital:	Authorized	Issued
Common shares, n.p.v.	50,000	29,000

Business: Will acquire, consolidate and operate Charles Fawcett Ltd., Sackville, N.B., and Amherst Foundry Co., Amherst, N.S. Both companies are engaged in the foundry business.

Assets: Net tangible assets total $1,115,629, or $38.47 per share for the 29,000 of common stock.

Earnings: Consolidated net earnings for past three years ranged from $60,973 in 1925, to $88,332 in 1926 and $102,099 in 1927.

Purpose of Issue: Proceeds will be used to acquire and provide funds for acquiring the companies mentioned.

Management: There will be no change.

Dividend: It is the intention to place this stock on a $2 per share per annum dividend basis, payable quarterly.

Insurance: Company carries approximately $800,000 fire insurance on its plants, inventories and warehouse stocks.

Listing: It is the intention to list shares on Montreal Stock Exchange.

Offer: H. B. Robinson & Co., at $30 a share.

French Line Shares Offered in Canada

From Our Own Correspondent

MONTREAL.—The common stock offering of the common shares of the Compagne Generale Transatlantique, better known as the French Line, is being made by a syndicate of Canadian investment houses. The stock offered does not represent any new financing by the company. The particulars of the issue follow:

87,500 shares of Common Stock of the French Line

Delivery will be made in registered American share certificates. American shares each represent one share of common stock "B" par value 600 francs.

Business: The largest French navigation company.

Capital: Has outstanding 327,664,500 franc bonds; £1,500,000 sterling bonds, and $4,500,000 dollar bonds, 9,000,000 francs "A" stock, 12,000,000 francs priority stock "B" and 123,000,000 francs common stock "B".

Equity: In addition to its investments, the fleet is carried at 631,000,000 francs before depreciation in 1927.

Earnings: In 1926 after all charges, 21 per cent. was earned on the common stock. From this a dividend of 12 per cent. was distributed . Earnings for 1928 are expected to be at about the rate of 25 per cent.

Offered: At $71 per American share by Greenshields & Company, Geoffrion & Company, and Rene Leclerc.

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCES AND DOMINION GOVERNMENTS

Municipal

Place	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Hamilton	Mar.	A. E. Ames & Co., and Bk. of Nova Scotia	4½ & 6%	14-20-yr.	$1,091,626	100.28	4.53
Sask. Phones	Mar.	Various	...	....	25,300	....	...
County of Carleton	Mar.	H. C. Monk & Co.	5%	5-ins.	61,180	100.59	4.78
County of Carleton	Mar.	H. C. Monk & Co.	5%	10-ins.	39,750	101.11	4.77
County of Carleton	Mar.	Bell, Gouinlock & Co.	5%	15-ins.	22,280	101.60	4.76
Ford City	Mar.	Harris, MacKeen & Co.	5%	5-20 ins.	324,823	98.53	...

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Metropolitan Edison Co.	Mar.	Halsey, Stuart & Co., and U.S. Syndicate	4½%	1968	$23,000,000	99½	4.52
York St. Bldgs.	Mar.	R. A. Daly & Co.	6%	1943	265,000	99	6.09
Canada Gypsum & Alabastine	Mar.		5½%	1948	2,500,000	97½	5.70
Waterworks & Electric Co. of Ferme-Neuve	Mar.	Le Pret Municipal	6%	1933	75,000	100	6%
Stock Issues—							
Jones-Porter Mines	Mar.	Jones-Porter Mines	...	....	50,000 shs.	50c.	...
Evans Coleman & Gilley Bros.	Mar.	A. E. Ames & Co.	6½%	Pref.	$400,000	96¼	6¾%
Acme Products	Mar.	Acme Products	...	Com.	150,000	$10	...
Enamel & Heating Products	Mar.	H. B. Robinson & Co.	...	Com.	29,000 shs.	....	...
Laurentian Dairy	Mar.		...	Pref.	4,000 shs.	$50	...

YORK BUILDINGS BONDS OFFERED

Proceeds Will be Used to Enlarge Present Buildings

R. A. Daly & Co., this week are publicly offering $265,000, 6 per cent. first mortgage (leasehold) 15-year sinking fund bonds of York Street Buildings, Ltd.

This company was incorporated early in 1925, since which time two buildings of the light manufacturing type have been built on their property, which is leased for a period of 966 years. It is the intention to use the proceeds of the present issue to construct an additional two stories on the present buildings.

Details of the issue follow:

$265,000
YORK STREET BUILDINGS, LTD.
6% First Mortgage (leasehold) 15-Year Sinking Fund Bonds

Dated April 2, 1928 Due. April 1, 1948

Capital:—
(Upon completion of present financing)

	Authorized	To be Outstanding
1st (closed) mtge. leasehold 6% sink. fund gold bonds	$265,000	$265,000
Common shares	160,000	160,000

Company: Owns two buildings located on valuable leasehold property in Toronto.

Security: This issue will be secured by a first (closed) mortgage on lands and buildings already erected thereon.

Appraisal: Present building, plus additional two storeys and the value of leasehold have been appraised at $535,438. This issue, therefore amounts to approximately 49.5 per cent. of the valuation.

Earnings: Actual earnings, available for bond interest, depreciation and federal taxes, for the calendar year 1927, were $22,700. Company already has agreements to lease a large part of the additional two storeys at a rental of 70 cents per square foot, thereby increasing the present income by about $20,000.

Sinking Fund: Will be started April 1, 1929, sufficient to provide for the redemption of over 75 per cent. of this issue by maturity.

Insurance: Company agrees to maintain insurance to the full insurable value of buildings.

Offer: R. A. Daly and Co., at 99 and accrued interest, to yield about 6.09 per cent.

COAST TRADERS STOCK OVERSOLD

Holding Company Formed For Well-known B. C. Firms

Through their Vancouver and Victoria offices, A. E. Ames & Co., offered this week $400,000 of 6½ per cent. cumulative first preferred stock of Evans Coleman and Gilley Brothers, Ltd. The issue has all been sold.

This concern is a holding company and has acquired all the outstanding capital stock of Evans, Coleman and Evans, Ltd., of Vancouver and Victoria, and Gilley Bros., of New Westminster. These businesses are two of the oldest trading companies on the Canadian Pacific coast, both having been established for forty years.

Particulars of the issue follow:

$400,000
EVANS, COLEMAN AND GILLEY BROTHERS
6½% Cumulative First Preferred Stock

Capital:—

	Authorized	Issued
6½% Cum. 1st pfd. stock	$900,000	$900,000
6½% 2nd cum. 1st pfd. stock	500,000	500,000
Com. stock n.p.v. shares	100,000	70,000

Business: Holding company of Evans, Coleman and Evans and Gilley Bros. Constituent companies will continue to operate a general shipping, importing and exporting business.

Assets: Combined net assets as of September 30, 1927, after deduction of all current liabilities including provision for income tax and exclusive of goodwill and the commercial value of quarries and leases, total $1,025,493, or about $180 per share for the first preferred stock.

Earnings: Combined net earnings after deducting taxes and depreciation for the period of the last five years have shown average annual earnings of 17.7 per cent. on first preferred stock.

Management: There will be no change.

Dividends: Accrue on first preferred stock from January 1, 1928.

Offer: A. E. Ames and Co., at 96¼ and accrued dividend per share.

Canadian Salt Company Stock Offering Delayed

From Our Own Correspondent

MONTREAL.—While there have been rumors of an immediate stock offering to the shareholders of the Canadian Salt Company, from authoritative sources, The Financial Post learns that there will be no immediate offering of the shares.

However, the shareholders are to authorize an increase in the common shares. The company at present has authorized and outstanding in common shares $1,500,000. The authorization is being increased to $3,500,000. Thus it seems apparent that while new stock will not be offered to the shareholders immediately, yet the management is paving the way for the eventual distribution of stock purchasing privileges.

Tenders and By-laws

Apr. 2.—Saskatoon Sch. District.—$19,000 30-year sinking fund debentures, 4½% or 4¾% Alternative bids U. S. and Canada, and Canada only. W. P. Bate, treas, Saskatoon.

March 20.—City of Westmount, P.Q.—$485,000, 4% serial bonds. A. F. Bell, sec.-treas.

March 20.—Regina.—$301,000, 4½% and 5% debentures, 15 and 30-years. Alternative bids, Canada and United States, and Canada only. D. D. Ross, treas. (See announcement on page 19).

SASKATCHEWAN
Authorizations Granted by the Local Government Board
From Feb. 27, to March 3, 1928.

Naicam, No. 1999, $9,500; Ellisboro, No. 228, $4,000; Marion, No. 853, $1,200; Lynnhurst, No. 2989, $2,000; Bulyea, No. 1215, $6,000; Saltcoats, P. P., No. 140, $16,000; Nipawin Village, No. 4627, $1,500.

Rural Telephones—Neelby, $300; Kenaston, $4,000; Brock Union Hospital, $15,000.

Debentures Reported Sold.

Viceroy, H. T. Co., $17,000; 15-yrs., 5⅝%, Houston, Willoughby & Co.; Meyronne Southern R. T. Co., $7,500, 10-yrs., C. C. Cross & Co., 5⅝%; Biggar, $800, 10 yrs., 6%, C. C. Cross & Co.

New Issue

KINGDOM of NORWAY

Thirty-five Year 5% Sinking Fund External Loan Gold Bonds.

To be dated March 15th, 1928
To mature March 15th, 1963

PRICE: 97.50 and interest, to yield over 5.15%.

Descriptive circular on request.

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In the March issue of our booklet "Investment Securities," which is now ready, will be found an attractive list of Good Bonds.

Carefully chosen Government, Municipal, Railroad, Public Utility and Industrial securities are offered for your consideration. We shall be glad to help you make a suitable selection.

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COMPANY LIMITED
6½% First (Closed) Mortgage Sinking Fund Gold Bonds
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Investment Securities
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Montreal

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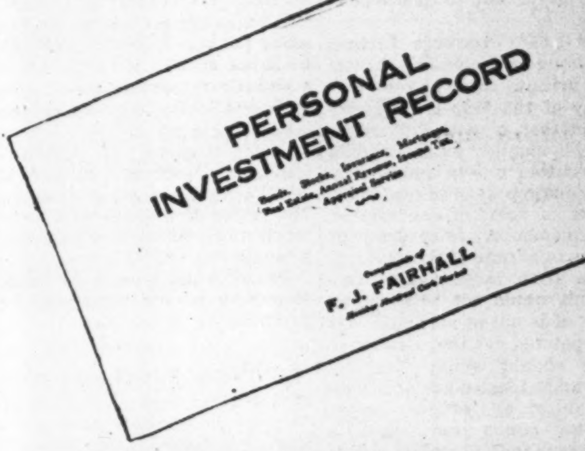

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TORONTO, MARCH 16, 1928

NO MORE BANK MERGERS

IN BRITAIN, as in Canada, the post-war period has been characterized by a succession of banking fusions. But the movement has died out in Britain. It is felt that further banking mergers are not necessary, either in the interests of the public or the banks themselves. The British Treasury has let it be known that it will not view with favor any amalgamation proposals that would tend to reduce competition. This removes from consideration the possibility of additional mergers among the banks of Britain. It is possible the larger banks of Britain. It is possible that there may be consolidations of some of the smaller banks. Banks of moderate size that could bring to each other business of a complementary or non-competitive nature, may join in the bonds of financial matrimony without hearing the voice of the Chancellor of the Exchequer barring their banns.

In Canada, governmental policy so far as it can be interpreted, is not dissimilar, but it is far less definite. There is no assurance that further bank mergers will receive an official "thumbs down" from Ottawa. It is assured that no merger will be permitted that will disturb the present balance of banking power, in a regional sense. The large Montreal bank that would try to swallow a smaller Toronto bank—or vice versa—would have to contend with the protecting disapproval of whatever minister of finance might happen to be in power.

There has been a distinct moderation in the cackle of financial gossip, forecasting bank mergers. But although mergers are less discussed, they are nevertheless forecast occasionally. For many months now, rumor has linked two Canadian banks, one being among the "Big Four" and the second a successful smaller bank with head office in the same city. No good purpose can be served by mentioning the names of the banks in question, since only the vaguest and most unofficial pourparlers can have taken place between their respective directors. But the financial world, and a number of directors of the two banks, anticipate the merger in time. In fact, a high official of one of the banks in question did not deny that he himself expected it would take place reasonably soon, but indicated that nothing had been even quasi-officially discussed by the parties interested. We may, then, only go on the not always safe assumption that where there is smoke there is fire, and at the same time express the hope that the government stands ready to play the role of fireman.

The public mood in Canada is not receptive to the suggestion of any further bank mergers. The reductions in the number of banks in Canada to one-third the number operating before the war, has been effected only at the expense of a rising tide of suspicion that the mergers are not in the public interest and have led to undue concentration of banking power. While this view may rightly be questioned, it is never safe to ignore public opinion.

Canada's policy towards further banking amalgamations might well be that of Britain; that the combination of any of the four large banks with one another, or with any one or more of the smaller banks, should not be permitted unless dictated by financial emergency or expediency. The merger of some of the smaller banks, complementary in coverage of the country, to permit of the development of a fifth large competitive banking unit would not be so undesirable, but it is not at all necessary. It may be pointed out that the banks themselves should weigh carefully the effect upon themselves of arousing antagonism by merger discussions. The banks never had a stronger command of public confidence than they have to-day. It is an asset to cherish.

MIGHT HAVE BEEN WORSE

THE newspapers have given considerable prominence to the statement of a western member of Parliament that the British Columbia apple growers get $2.46 a box for their product, while the apples are sold in Ottawa at $10.50 a box. The inference of headlines all over the country was that someone—no doubt the "middleman"—was exacting an unfair profit for handling apples; that the grower got too little for his product and the consumers paid too much for his apples.

There is no doubt at all that there are very serious wastes in distribution. But it is quite unfair to exaggerate those wastes. That there has been exaggeration by the member of parliament and the newspapers that followed his lead is apparent from the actual text of his question, and the reply given to it by Hon. Mr. Motherwell, minister of agriculture, and which reads as follows:

Price of Fancy Delicious Apples

Mr. STIRLING:

1. The producer in British Columbia receives $2.35 for a box of extra fancy Delicious apples containing about 140 apples, and out of that he pays the cost of their production.

The consumer is paying, on the average, 7½ cents apiece to-day in Ottawa, which is equivalent to $10.50.

2. What are the details of that spread?

Mr. MOTHERWELL:

1 and 2.

The following prices cover fancy Delicious apples, as prices for the extra fancy grade were not obtainable:

	Per box
Shipping point price, $2.35 to $2.60, mostly	$2.45
Freight to Ottawa	.75
Heating charges	.10
Brokerage	.05
	$3.35
Wholesale price to retailer, $3.50 to $3.75, mostly	$3.75
Retail price to consumer, $4.25 to $4.50, mostly	4.50

When sold by the specimen the retail price is higher, ranging from 2 apples for 25 cents to 5 apples for 25 cents, according to size, average 4 for 25 cents.

The member, in setting the retail selling price of an apple at 7½ cents, chose a high figure. A good British Columbia apple can be bought even at this season of the year at five cents, and the member of Parliament can have it polished up, wrapped in a bag and sold to him for that price. For that apple the producer got the better part of two cents last fall. A few months ago, the member of Parliament could have bought three of those apples for ten cents at any fruit store in the East. He could have bought a box for around $4 which would have been about three cents an apple for average sized fruit. He naturally ought to pay more for his apples if he waited until spring to buy them. When the answer indicates that the retail buyer of British Columbia apples can buy them in the East in the spring for about $2 a box more than the grower in British Columbia got for them, the situation is much different than the headlines portrayed it.

INCOME TAX AGAIN

M. N. CAMPBELL, M.P., represents The Financial Post as opposed to the abolition of the income tax and presents a quotation from this paper in support of his, the Progressive plea, that the income tax should be retained. The Progressives are opposed to any reduction in the income tax.

In quoting from The Financial Post, Mr. Campbell took two paragraphs away from their context. What we said was that the campaign of the Retail Trade Bureau of Canada, demanding the immediate abolition of the income tax, might do more harm than good, in that it might result in Ottawa throwing up its hands and doing nothing further towards lightening the burden of the income tax.

One reason why the income tax cannot now be abolished is that the country needs certain revenues to pay off the war debt and to meet current expenses. But the income tax can be greatly reduced each year until it is practically abolished. Mr. Robb seems to indicate that if he continues as finance minister he will work to this end.

The income tax need not be regarded as a permanent feature of our taxation system. That is a question to be threshed out in the future. The important fact is that it is there, and cannot be immediately wiped out. It can, however, be steadily reduced and business interests of the country will gain more by pleading for successive generous reductions in the tax than by asking to have it taken off the statute books entirely.

THE BUYER DICTATES

ONE thing was impressed upon the Canadian farmers who recently toured Britain. This was that those who would sell on the British market must prepare and pack their products in the way that the British market likes. Many British producers have lost out in Canada because they expected Canada to alter its buying habits to suit British production methods. Canadian producers who expect to market their goods in Britain must produce what the Britishers are accustomed to buying, must pack and grade them as the Britisher desires and must adhere to a definite marketing policy that insures continuity of grade, supply and marketing method.

There is plenty of evidence that Canada's department of agriculture is alive to these needs; the Empire Marketing Board, as well, has done much excellent work in reducing to a formula the British taste.

There is much more to salesmanship than having something to sell and offering it for sale.

BUSINESS PROBLEMS TO-DAY

THERE are many unfavorable factors in business to-day. Many new problems have arisen that were not recognized as major problems a few years ago. The phrase "red ink prosperity" has been coined by some one to describe conditions in industry to-day in the United States. There is not much "red ink prosperity" in Canada. The increased profits of Canadian industry are written in letters bold and illuminating. But we cannot expect to be uninfluenced by trends in American business and indeed, in certain fields, increased business volume is being gained in Canada at the expense of profit. In the published annual reports of a few Canadian corporations profits have not measured up to sales increase.

In the main though, Canadian business has shown up exceedingly well in recently published annual statements and there is less uncertainty in our business outlook than there is across the border. This is indeed in gay contrast to the situation a scant few years ago when we envied American prosperity.

The chief unfavorable factor in modern business to-day seems to be the staggering increase in competition, not only as between one unit and another in a single industry but between different industries. Wool competes with cotton; rayon with silk; telephone with telegraph; radio with phonographs; steel and concrete with bricks and stone; leather with mohair, etc. Over-production has something to do with competition; lowered profit margins are a result of both.

The Sherman Corporation, of Boston and Toronto, have made a study of factors in present day business, based on a questionnaire among some 1,000 manufacturers. These are the factors in business where more manufacturers found the tendency unfavorable than in the direction of better business.

Unfavorable—Favorable Ratios

Factor	Pr. Cent. Unfavorable	Per Cent. Favorable
1. Competition	91	9
2. Competition from within industry	87	13
3. Overproduction	87	13
4. Profit margins	77	23
5. Limited markets	77	23
6. Federal taxation	77	23
7. Competition from outside industry	76	24
8. State taxation	72	28
9. Surplus plant capacity	69	31
10. Foreign competition	67	33
11. Local taxation	65	35
12. Installment selling	63	37
13. Government Regulation of business	62	38
14. Selling and distribution expenses	59	41
15. Hand-to-mouth buying	59	41

There are favorable factors in business to-day. One is the cheapness of money. Two related factors that favor industry to-day are improved employee relationships and higher efficiency. Improved collection systems; speeding up of turnover; introduction of new products to maintain public taste have done more good than harm. On a similar basis of analysis the following fifteen factors in business have been found to be more generally favorable than otherwise.

Favorable—Unfavorable Ratios

Factor	Per Cent. Favorable	Per Cent. Unfavorable
1. Money Rates	98	2
2. Employee Relationships	93	7
3. Labor Efficiency	84	12
4. Credits	84	16
5. Wage Scales	81	19
6. Collections	74	26
7. Development of New Products	74	26
8. Commodity Prices	69	31
9. Inventory Turnover	67	33
10. Mergers	65	35
11. Style	62	38
12. Agricultural Conditions	55	45
13. Political Developments	54	46
14. Capital Turnover	54	46
15. Weather	51	49

These new and serious problems exist for industry. They exist in Canada as well as in the United States. Canadian manufacturers will be glad to know what industry across the border is doing to meet the new conditions. The Sherman Corporation studied that question. They asked manufacturers definite questions as to what they were doing, thus attempting to sound the general trend of practice in business. This analysis, here briefly summarized, indicates what business men are doing to keep pace:

Have You	Per Cent. Yes	Per Cent. No
Reduced unit manufacturing costs	73	27
Reduced overhead	56	44
Reduced sales expenses	29	71
Reduced selling price	54	46
Reduced number of items	27	73
Increased number items	44	56
Purchased new machinery	70	30
Increased inventory turnover	60	40
Increased capital turnover	46	54
Cut down manufacturing time	52	48
Carried on product research	61	39
Carried on process research	61	39
Carried on market research	56	44
Developed new merchandising plans	52	48
Increased sales volume	52	48
Improved quality	82	18
Cut quality	1	99
Changed wage methods	13	87
Revised wage scales — upward	16	84
Revised wage scales—downward	17	83
Has advertising appropriation been increased	34	66
Has advertising appropriation been decreased	20	80
Have there been major changes in personnel:	14	86
General management	16	84
Sales executives	23	77
Production executives	22	78
Have you had merger under serious consideration	20	80

EDITORIAL NOTES

THE GLAND doctor who left $100,000 made a fortune out of monkey-work.

* * *

IT IS COSTING Australia $240,000,000 to standardize the gauge of its railways. That is one trouble we missed.

* * *

THE STATIST, London, quotes as an American economists' phrase: "When prices go up by the lift, wages go up by the stairs." We do not think any American, even an economist, called an elevator a "lift."

* * *

THE MOVEMENT for a universal five cent gasoline tax throughout Canada is gaining headway but one may well question if a five cent tax will bring in as much revenue as a three cent tax. It seems to go beyond the reasonable charge which motorists gladly pay in exchange for road improvements.

* * *

FINANCE is going on the air. The savings banks of New York and New England now have a weekly broadcast which, it is promised, will not stop at thrift talks, and Halsey Stuart and Company, internationally known American investment bankers, plan to give investment advice over the radio, beginning April 5.

* * *

AMERICAN courts, in the tobacco co-operative's case, have ruled that the pooling contracts among the farmers are enforceable. The Canadian wheat pool contract is similar. But that the five year contract is legally binding and enforceable is not the important point. If the five year contract leads to "bootlegging" of grain—as it has—and turns farmers away from the pool idea—as it is—the pools will have to drop the iron-clad long-term contract from their programme.

POST-scripts

WE should really rescue from oblivion some of the choice repartee from the house of commons debates. The daily papers leave many of them to die a natural death in Hansard. For instance when T. W. Bird, M.P., for Nelson, Man., referred to the Tories as tax representatives of the manufacturers this is how the learned gentleman settled the argument that arose:

Mr. MANION: I rise to a point of order. As one of the members to your left, Mr. Speaker, I object to being dubbed a representative in this house of manufacturers and I think the hon. gentleman should be compelled to withdraw that statement.

Mr. BIRD: I shall be pleased to withdraw the statement, and I hope the announcement of my hon. friend will not hurt the funds of the Conservative party at the next election.

Some hon. MEMBERS: Order.

Mr. SPEAKER: I think the hon. gentleman should withdraw that expression and not aggravate it. I must say that to characterize an hon. member of this house as being a representative of the manufacturers is rather a stigma. Such a charge, if proved, makes any member liable to a very heavy fine and even suspension. I would ask the hon. member who has unwittingly made the remark, kindly withdraw it.

Mr. BIRD: My remark was laden with no animus whatsoever. There is a well-known animal—

Mr. SPEAKER: I take it that the remark is withdrawn.

Mr. BIRD: The remark is withdrawn and I was about to say that there is a well known animal that is in the habit of biting the hand that feeds it.

Mr. MANION: I rise to a point of order. I object to this hon. gentleman referring to me as an animal that bites the hand that feeds it. The manufacturers do not feed me and I resent that remark. It is worse than the previous one.

Mr. SPEAKER: I thought the hon. gentleman had withdrawn the remark. He should withdraw it.

Mr. BIRD: I was about to say, Mr. Speaker, that my hon. friend is not that kind of animal.

FOLKS and Finance

W. K. ESLING, M.P. for West Kootenay, B.C., paid a well deserved tribute in the House of Commons to one of Canada's great mining chieftains when he said:

"I should like to say that we in Trail, in common with the rest of this Dominion, should feel extremely proud of the fact that last week, in the City of New York, Mr. S. G. Blaylock, manager of the Trail smelter, was awarded the James Douglas gold medal by the American Institute of Mining and Metallurgy for the greatest commercial achievement in metallurgy. The history of this award dates back to the time of the war, when the allies were paying 45 and 48 cents per pound for zinc, the supply of which was practically controlled by a New York syndicate. Mr. Blaylock and his research staff at the Trail smelter solved the process of separating zinc from ores, as a result of which the Trail smelter was able to supply the allies with zinc at 15 cents per pound. I think, Mr. Speaker, that if the Federal Department of Mines would step on it and speed up its research department some day, we might hope for equal honors to be achieved by that department.

Other People's Views

Change the Record

Halifax Herald.—One gets (as they say in Mayfair) frightfully fed-up on alleged jokes about Scotsmen. Even the assurance that most of them are written by Scotsmen does not help very much to relieve the deadly monotony of the things.

Our latest Scotch importation tells of how Sandy McPherson decided to leave school because he had to pay attention.

This is a fair sample of them. And when Sir Harry Lauder gave a boy in the Strand a penny the other day, it was front-page "news."

This is not the complaint of a Scot: merely a protest against a habit that is a "weariness to the flesh." For our own part, we have found the folks North of the Tweed just ordinary human individuals.

A National Emergency

Vancouver Province:—Canada, says the Ottawa Citizen, might profitably invest one hundred million dollars in colonization, during the next ten years. There is not a doubt of it. The hundred millions, if laid out with any discretion and sense of proportion at all, should be returned to the country two or three times over, before another decade had passed. It should be returned once at least to the railroads through the filling in of vacant spaces in nearly all the provinces and the increasing of traffic without the necessity of any great outlay on branch lines. It should come back to the business interests of the country through the development of natural resources and the expansion of the country's purchasing power. And a good part of it should find its way back into the Dominion treasury through duties on goods purchased by our increased population and levies on the incomes earned by new workers.

The placing of immigrants to any advantage in Canada now, however, and the laying out of any such sum of $100,000,000, presupposes a very definite and well-thought-out immigration policy, and if Canada possesses any such thing, it has been kept a very great secret. The Citizen suggests that we should get a policy, and advises Mr. Forke to rid himself of the necessity of attending to details of his office and give attention to the larger aspects. It recalls the creation of the Imperial Munitions Board, during the war, and the co-opting for it of captains of industry like Sir Joseph Flavelle and Sir Charles Gordon. If Mr. Forke sought to create such an organization, now, the Citizen believes, Canada's big men would not fail him.

It may be argued, of course, that the Imperial Munitions Board was created at a time of national emergency. But what have we now? We need a larger population. Our Dominion treasury, our railroads, our great industries, the population we have are suffering for lack of it. We need people; we need a plan to get them—people of the type we can most successfully build into the foundations of our country; we need a plan for their settlement, for advising and helping them until they get on their feet, for getting them employment and we need a plan which will ensure their remaining with us, once we have gone to the trouble and expense of getting them. If these needs do not constitute a national emergency, what can?

"Stop Me If You've Heard This One"

Clerk—Now, here's a book that has been suppressed in Chicago.

Flapper—How dull! Haven't you got something that's been suppressed in Boston?

Mr. Drury Discusses Work of Western Wheat Pools, Vast Intricate Machine

Describes Structure of Saskatchewan Pool and Tells of Reserves and Elevator Purchase Funds Built Up

By HON. ERNEST C. DRURY.
Former Prime Minister of Ontario

We have considered the Wheat Pool in general, and the possibilities and actual work, of the Central Selling Agency in particular. The Pools however, are in reality provincial organizations, and the provincial bodies control most of the processes by which the actual physical handling of the grain is accomplished. It is these bodies which are creating tangible assets, are establishing commercial reserves, and are performing several other useful services. No study of the pool movement would be complete without some consideration of this phase. Since space will not permit a consideration of all three provinces, let us take for our purpose the Saskatchewan Pool.

Contract is Foundation

In the first place, the pool is not an organization that does something for the wheat-growers: it is an organization of the wheat-growers to do something for themselves. There are no shareholders. The ultimate unit of the organization is the contract-signer, and his investment is his contract to deliver to the Pool all the wheat he may produce for a period of five years. The whole structure, financial and administrative, is built on the individual contract. Each contract-signer, whether he farms 10,000 acres or a single quarter-section, has one vote in the election of the governing body of the Pool. This body consists of 160 delegates, each elected by the contract-signers for one of the 160 sub-districts into which the province is divided. The delegates must be contract signers, and must actually live and produce wheat within the sub-district which they represent. The general meeting of delegates is the Parliament of the Pool. It initiates the policies which are carried out by the executive, the board of directors.

Delegates Must Be Farmers

In electing the directors, the sub-districts are regrouped into 16 districts, ten sub-districts in each. The delegates, of whom there are thus 10 for each district, elect one director from among themselves, who represents the District on the board of directors. In this way, the utmost of democratic control is assured. Each director must not only be chosen by the delegates who represent his district, but must himself be a farmer, and elected as delegate by his neighbors in the sub-district in which he lives.

Such a system would seem to run the risk of sacrificing efficiency for democratic control. When, however, we consider the remarkable achievments of the Saskatchewan Pool since its inception in 1924, it must be admitted that the management has lacked neither in efficiency nor vision. In that time the Pool has built up two great business organizations, one, the Pool proper, and the other a subsidiary company, formed to hold and manage the great string of elevators which are necessary to handle the crop of the Province. These organizations are housed in a commodious modern building in Regina, owned by the Pool.

Keep Many Individual Accounts

The business organization of the Pool is a vast and intricate machine, as it must be, to take care of the 85,000 contract-signers of Saskatchewan, and the vast volume of business—119,000,000 bushels in 1926-27. Individual accounts must be kept with each contract-signer, and the sums realized on the sale of the wheat pro-rated according to quantity and grade. This in itself involves a huge amount of work. This however is not by any means all. The Pool looks after complaints, checks grades, has a department to look after claims and assignments, and directs a staff of 20 field service representatives, who conduct the educational work so necessary to the success of any co-operative enterprise.

A subsidiary company, Saskatchewan Pool Elevators Ltd., administers a string of country elevators,—last year 725 of them, with the promise of 100 more this year. So efficiently have these been operated that, after paying all operating costs, and 6 per cent. on the investment, and setting aside a reasonable reserve, the sum of $1,372,000 is being returned this year to the growers, as an elevator charge refund. Further, the Pool elevators have been of immense benefit, particularly to the small farmer, by almost abolishing the "spread" between street wheat, that is, wheat delivered to the elevators in less than car-lots, and car-lots. This, under the old conditions amounted to anywhere from 5 cts. to 20 cts. per bushel, and was a serious loss to the small grower, who generally, could least afford it.

Also Have Terminal Elevators

A second subsidiary, Saskatchewan Pool Terminals Ltd., operates huge terminal elevators, with a storage capacity of 19,000,000 bushels at Port Arthur and Buffalo. This company is also constructing at Port Arthur, a new elevator of the most modern type, with a storage capacity of 6,900,000 bushels.

But, while the policy of the Pool is to return as much as possible to the grower, it has not neglected the element of safety in so doing. The form of contract allows the deducting of 2 cents per bushel for the purpose of acquiring elevators, and 1 per cent. of the gross selling price for a commercial reserve. These deductions have been made, with the result that the Saskatchewan Pool has now, invested in elevators, the sum of $6,462,192, besides a commercial reserve of $3,363,936. This, it must be conceded, is a fairly satisfactory showing.

The creation of this great business speaks volumes for the efficiency as well as for the zeal and integrity of the Pool directors,—actual farmers all of them, chosen by their neighbors to look after their common business. The Pools, in their spectacular growth, in their breadth of activity and range of vision, and in the further unique fact that they are operated, not for private grain, but for the benefit of the thousands of men and women who, on the wind-swept prairies, endure the hardships and privations of the pioneer farms, constitute the most inspiring romance of Canadian business history.

Is Paternalistic in Activity

But the work of the Saskatchewan Pool, which is only selected as typical of all, does not stop even here. It is interesting itself in a dozen ways outside its strictly business activities, in bettering the lot of the prairie farmer. It is taking steps to standardize the varieties of wheat grown. It is investigating improved methods for handling tough and damp grain. It conducts in conjunction with other co-operative organizations, and with the aid of the Extension Department of the University of Saskatchewan, itinerant schools, where the people are taught the correct principles of co-operation. The other day, when there was danger of losing some of the most valuable men from the Rust Laboratories, it made an offer to the Dominion Government to supplement their meagre salaries out of Pool funds. It is seeking, in every possible way, to help the prairie farmer, to build up the West,—incidentally to build up Canada.

Third of Articles on Western Pools

In this group of Mr. Drury's series on Canada's farm movements, Mr. Drury touches upon the western wheat pools. This is the third of the wheat pool articles but the seventh of the series as a whole.

The former prime minister of Ontario is writing for The Financial Post this series of articles on the farm movement in Canada, based on what he saw in Western Canada during a recent trip taken on behalf of this paper.

Mr. Drury, in these articles, expresses his own views and has not been asked to conform to any editorial views of The Financial Post.

As Others See Us

Canada Seeks Settlers

Buffalo News: The Financial Post of Canada foretells a new Canadian policy for the encouragement of immigration. The plan is to settle British families, in groups of fifteen or twenty, on government land. The Canadian Government will supply the land free in areas still unsettled and not more than fifteen miles from a railroad. The British Government is expected to provide $1,500 to aid each family in getting started, the sum to be repaid over a period of years.

Inasmuch as the plan calls for British immigrants exclusively, it is only of academic interest in the United States. If carried out, however, it will be an important contribution to the development of Western Canada, and incidentally to the solution of the unemployment problem in Great Britain. It is particularly worth noting from an economic viewpoint because it rests on the old doctrine that the foundation of prosperity is the increased reclamation and use of land, as distinguished from policies which strive to promote industrial growth with stationary or declining agriculture.

Dr. William A. Riddell, Canadian officer at the League of Nations: "We believe that the absence of armed forces on the frontier is one of the finest lessons that can be set before a people of confidence in the people on the other side of that frontier."

The actress who played Lady Macbeth was furious and demanded, according to Passing Show, "Why did that idiot of an electrician suddenly take the spotlight off me?"

"It was a misunderstanding," explained the stage manager. "When you said, 'Out, damned spot!' he thought you were speaking to him."

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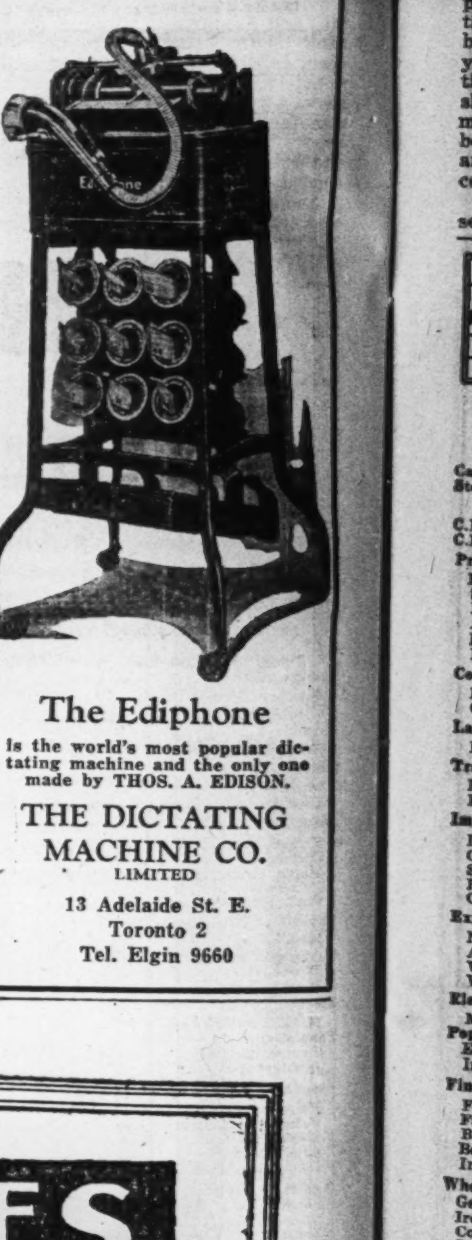

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Background of Canadian Business

By JOHN E. LANGDON,
Business Editor, The Financial Post

WEEKLY REVIEW OF CONDITIONS

U. S. Employment Situation Gives Rise to Uneasiness
Basic Conditions Do Not Warrant Pessimistic Note
Major Canadian Industries Report Good Business
February Building Values Highest Ever Reported
Wholesale Prices Steadier, But Trend Downward

RECENT news emanating from New York and other large American industrial centres to the effect that unemployment is assuming serious proportions, is not reassuring. U.S. Labor Bureau's December employment index, based on returns from 10,607 establishments in 54 industries is 85.1—100 equals the 1923 monthly average. The Federation of Labor reports 17.8 per cent. of its membership, or half a million men, out of work at present. The Chicago Federal Reserve Bank finds a curtailment of 1.5 per cent, in employment in its Reserve district in January as compared with December. Detroit seems to be the only place of importance where employment is gaining.

On the surface such a showing would cause uneasiness among Canadian business men, as it has been found that conditions in the United States shortly reflect themselves in Canada. Various reasons have been given to the cause of the increase in the number of workers unemployed in the States. Many of them are interesting, but one of the best analyses of the labor situation is that compiled by a leading financial weekly.

Situation Not So Bad

In an interesting and informative article, this authority has gone into the question and has arrived at the conclusion that the situation is not unusual and that the number of men out of work is largely due to the increasing number of women working in factories, shops, offices, etc. It is common now to find both husband and wife working. This is particularly true of the larger industrial centres, where employment conditions are reported upon unfavorably.

Industrial production in the States is well above the average, steel output higher than for some time past; building is 15 per cent. greater than last year; automobile production is increasing, etc. This being a Presidential year employment in many industries is affected, but basically industry is in a sound position.

Canadian Industry Sound

In so far as Canada is concerned, there does not appear to be just cause for apprehension. Industrial conditions in this country are generally satisfactory. One or two lines, such as the manufacture of sugar, are below standard, but in each instance where there is any divergence from the usual run of conditions, it will be found that conditions outside of the industry itself and over which there is no control, are responsible.

Recent Reports Optimistic

Reports of the past month or two have been optimistic in tone. Employment, except for the Prairie provinces, is well above average; retail and wholesale trade is good; bank debits are higher than last year; collections are up to expectations; iron and steel production shows a marked increase; automobile manufactures have changed for the better; insurance sales are larger; and both import and export trade compare favorably with last year.

Another encouraging sign is to be seen in the large amount of building undertaken this year. Continuing the example set by January building, contracts awarded during February exceeded all previous records for that month. The total value of such was $25,875,200, Quebec province leading with 56 per cent. of the value of new work. Ontario followed with 22.6 per cent. British Columbia's share was 15 per cent.

This favorable showing is largely due to the open winter which is being experienced in most parts of the country. Moreover contractors are carrying out more winter work, cold weather and snow now being regarded as less of a handicap than was formerly the case.

The need of large supplies of building materials, more workers, etc., has not been without its effect on the general business and industrial situation. Steel, lumber, bricks, tile, electrical supplies, paint, stone, and other building materials are all in greater demand than during the first quarter of last year.

Railway Traffic Up

The movement of railway traffic is also another good indication of the general trend of business. While in no way forecasting the general trend of business, this index is valuable in that it shows the physical volume of industry during periods just passed. In the week of March 3, for instance, revenue freight loadings totalled 64,382 cars, which was an increase over either of the two preceding weeks and also over that of the same period in 1927.

Since the beginning of the year 564,809 cars of revenue freight have been loaded on Canadian railways. This compares with 538,568 and 495,185 cars in the corresponding periods of 1927 and 1926, respectively. In comparison with last year, livestock, coal, lumber and pulpwood are the only commodities to show smaller loadings. Both coal and pulpwood, however, are substantially ahead of the 1926 figures.

Wholesale Prices Steadier

One of the causes which combined to cause uneasiness in business and trade circles last year was the changing trend of wholesale prices. Although the spread from month to month was not pronounced, yet there was a downward movement which, in the main, limited orders to immediate wants. While the efficacy of this method of buying is open to doubt, no one will deny that it helped keep inventories down to a minimum and that the distributor finished the year in a sound financial position.

Buying methods have not shown any change this year, nor are any new developments expected to arise. During January and February there was comparatively little change in the general index of wholesale values. There was a slight downward movement in February, the index being 150.8 as compared with 151.2 in January. Two groups moved upward, four moved downward and two were stationary. Thirty-eight price quotations were lower, 36 were higher and 162 were unchanged.

Detailed returns show a slight increase in values for the vegetable and vegetable products group. Animals and their products declined, as also did textile and textile products. Iron and its products showed strength, while non-ferrous metals fell off. Wood and wood products and non-metallic minerals and their products were practically stationary. A slight decline was reported for chemicals and allied products.

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Latest This Year	Latest Last Year	Cumulative for Year This Year	Cumulative for Year Last Year
		Weekly		
Car Loadings (Mar. 3)	64,382	63,086	564,809	495,185
Stock Price Index	321.0	132.3	......	......
(Traders—March 8)—				
C.P.R. Gross Earnings (Feb. 29)	$ 3,861,000	$ 3,370,000	$ 29,595,000	$ 27,098,000
C.N.R. Gross Earnings (Feb. 29)	$ 5,909,152	$ 4,367,518	$ 38,459,155	$ 34,727,524
Production—		Monthly		
Pig Iron, tons (Jan.)	65,006	51,717	65,006	51,717
Steel, tons (Jan.)	84,295	58,551	84,295	58,551
Newsprint, cwt. (Jan.)	186,721	161,724	186,721	161,724
Automobiles (Jan.)	8,463	15,376	8,463	15,376
Boots and shoes, pr. (Jan.)	1,482,914	1,407,163	1,482,914	1,407,163
Flour, bbls. (Dec.)	1,767,000	1,715,000	17,701,000	18,907,000
Construction—				
Building Permits (Jan.)	$ 7,708,904	$ 5,676,537	$ 7,708,904	$ 5,676,537
Contracts (Feb.)	25,875,200	19,517,000	46,355,200	36,289,000
Labor—				
Employment Index (Feb.)	100.8	95.4	......	......
Trade (January)—				
Imports	$ 79,506,417	$ 78,806,000	$ 79,506,417	$ 78,806,000
Exports	$ 84,427,743	$ 85,266,000	$ 84,427,743	$ 85,266,000
Imports of Key Products—				
Rubber, lbs.	5,129,462	4,366,000	5,129,462	4,366,000
Cotton, lb.	19,634,668	21,278,000	19,634,668	21,278,000
Sugar, cwt.	364,827	636,054	364,827	636,054
Petroleum, gal.	58,501,050	52,222,000	58,501,050	52,222,000
Coal, tons	1,223,788	1,562,996	1,223,788	1,562,996
Exports of Key Products—				
Newsprint, cwt.	3,149,326	2,846,574	3,149,326	2,846,574
Automobiles, No.	3,502	7,480	3,502	7,480
Wheat, bush.	15,200,789	12,571,034	15,200,789	12,571,034
Wheat flour, bbls.	765,792	773,981	765,792	773,981
Electric Power—Output—				
M. Kilowatt hours (Jan.)	1,317,736	1,131,212	1,317,736	1,131,212
Population—				
Emigration (Nov.)	7,055	8,186	*39,549	*43,510
Immigration (Dec.)	4,566	5,415	152,980	136,084
Finance—				
Failures, No. (Jan.)	197	191	197	191
Failures, Liabilities (Jan.)	$ 2,811,418	$ 2,626,292	$ 2,811,418	$ 2,626,292
Bank Debits (Jan.)	$3,399,000,000	$2,619,000,000	$3,399,000,000	$2,619,000,000
Bond Sales (Feb.)	$ 10,583,909	$ 22,266,471	$ 47,468,317	$ 74,149,629
Insurance Sales (Jan.)	$ 47,569,000	$ 36,968,000	$ 47,569,000	$ 36,968,000
Wholesale Prices (1913-100)—				
General Index (Feb.)	150.8	150.3	......	......
Iron	142.1	144.4	......	......
Cotton, raw	152.6	116.6	......	......
Grains	162.6	157.7	......	......
Cattle	148.3	103.9	......	......
Rubber	54.4	60.0	......	......

(*Fiscal year ended July).

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Business Conditions in United States

Dollar volume of business in the United States during the week ended March 3, as indicated by checks passing through the banks for payment, though smaller than a year ago, was higher than in the previous week. The general level of wholesale prices advanced over the previous week, showing a gain also over a year ago. Prices for cotton, however, averaged lower than in the previous week, with iron and steel prices and prices for wheat averaging higher.

Loans and discounts of Federal reserve member banks again showed a gain over the previous year, being higher also than in the preceding week. The Federal reserve ratio was lower than in either prior period. Loans to brokers and dealers by Federal reserve member banks in New York, again receded from the previous week. Prices of stocks averaged higher than in the previous week, while bond prices declined. Interest rates on call loans averaged higher than in either the previous week or the same week of last year. Time-money rates, showing no change from the preceding week, were higher than a year ago. Business failures were more numerous than in either the previous week or the corresponding week of 1927.

Output of bituminous coal during the week ended February 25, showed an increase over the previous week, but was lower than a year ago. The production of lumber during the same week was greater than in either prior period. The output of beehive coke, although showing an increase over the previous week, was only half as large as in the same week a year earlier. Crude-petroleum production was smaller than in either prior period. Wheat receipts at primary markets showed gains over both the previous week and the same week of last year. Receipts of cattle, however, declined from both prior periods, while hog receipts, though smaller than in the previous week, were considerably larger than a year ago.

WEEKLY BUSINESS INDICATORS
Average 1923-25=100

	Feb. 25 1928	Feb. 26 1927
Bituminous-coal production	104.5	131.0
Lumber production	108.6	92.3
Beehive-coke production	39.2	77.1
Petroleum production (daily av.)	112.8	119.3
Freight-car loadings	....	96.3
Bldg. contracts, 37 states, (daily av.)	96.2	74.9
Wheat receipts	64.0	55.5
Cotton receipts	50.8	119.2
Cattle receipts	73.7	82.3
Hog receipts	132.5	87.7
Price No. 2 wheat	100.7	96.5
Price cotton middling	69.9	52.6
Price iron and steel composite	86.0	88.7
Coper, electrolytic, price	100.0	94.2
Fisher's price index	96.8	93.3
Bank loans and discounts, total	120.4	113.2
Debits to individual accounts	105.3	101.1
Interest rates, call money	103.0	100.0
Business failures	118.7	109.1
Stock prices	181.1	149.7
Bond prices	110.7	107.6
Interest rates, time money	105.7	102.9
Federal reserve ratio	96.4	103.4

Central Electric Stations Output Nears $90,000,000

Increasing Demands of Pulp and Paper and Mining Industry Has Marked Effect on Production; Commercial and Domestic Use Also Increases

Consistent earning power of hydro-electric enterprises in Canada is further evidenced by the report on central electric stations for 1926. During that year revenue received totalled $88,933,733, as compared with $79,341,584, or 12 per cent.

A large factor in this improved showing is the increase in load of the pulp and paper industry and of mines. There was also an increase in the kilowatt hours exported of over 234 million, or almost 2 per cent. of the total output of all plants. Practically all of this increase in exports was in surplus power of the Niagara plants which was probably sold at low rates which would also tend to decrease the average revenue per unit of output.

Hydro Predominates

As at present constituted, the central electric station industry is almost wholly hydro-electric; output of stations in 1926 being almost 99 per cent. of the total of all generating stations and their dynamo capacity was over 95 per cent. of the total.

Although the output of fuel plants was a very small portion of the total—1.4 per cent.—the number of fuel plants was considerable, aggregating 301. Though the numerous stations with capacities of less than 1,000 K.V.A. were insignificant in comparison with the large fuel plants and the hydro electric stations, they were important inasmuch as they gave service to approximately 57,000 customers in small towns and villages, which would otherwise have been without the benefits of electric service.

Returns received by the Bureau of Statistics show a total output of 11,911 million kilowatt hours generated by hydro-electric stations, an increase of 19.6 per cent. over the preceding year. Quebec stations accounted for 871 million kilowatt hours, or 44 per cent. of this increase, and Ontario stations for 800 million kilowatt hours or 40 per cent. of it. The total output of Ontario and Quebec stations was almost 85 per cent. of the total of all stations, British Columbia and Manitoba with their large electric plants being the other chief producers.

It is interesting to note that 14 plants with capacities of 50,000 K.V.A. and up, for which data could be segregated, generated over 70 per cent. of the total output. The ratio of their output to their maximum capacity was 51.4 per cent. which was considerably higher than for the majority of the stations.

More Customers

The increase in the number of customers has not been as great as in the production; the rapid increase in the pulp and paper industry and in the mining industry has been the big factor in the increased consumption and, of course, increased the number of customers comparatively little.

The pulp and paper industry uses enormous quantities of power. Much of it is produced by the mills themselves, but large blocks of power are purchased from central electric stations. An estimate of the horse power purchased by the pulp and paper mills from central electric stations shows an increase of over 160 per cent. between 1922 and 1926. Most of the power used by this industry is 24 hour power and this increased power consumption represents approximately 25 per cent. of the increased production of central electric stations during this period.

The number of customers as at the end of 1926 was 1,337,562, an increase of 57,831 over 1925, increases being recorded in all provinces, Ontario leading with an increase of 27,994 and Quebec second with 15,599. The average number of domestic light customers per 100 population was 11.83 for Canada, with British Columbia having 17.15, Ontario 14.67, Manitoba 13.71 and Quebec 11.78.

ELECTRIC POWER CUSTOMERS

	1926	
Prince Edward Island	4,101	3,706
Nova Scotia	43,568	41,881
New Brunswick	32,383	30,676
Quebec	362,915	347,356
Ontario	562,507	534,513
Manitoba	105,263	102,831
Saskatchewan	47,387	44,394
Alberta	60,346	57,435
British Columbia	118,619	117,457
Yukon	473	482

The capital of commercial stations showed an increase during the year of $20,954,625 and of the municipal stations an increase of $8,544,384, bringing the total up to $756,220,066, as compared with $726,721,087 in 1925.

Over 63 per cent. of the increased capital invested during the year was in Quebec stations and practically all of this was in the hydro electric plants. The average investment per horsepower was reduced from $204 to $201 and Quebec stations continued to have the lowest average with $160 per horsepower.

The investments for generation alone, which includes water wheels, dams, storage basins, etc., and auxiliary equipment, averaged $114 per horsepower, the highest averages being in the Maritime Provinces and the lowest in Manitoba.

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American Sales Book Company Limited

Annual Report for Year Ending December 31st, 1927

Statement of Profit and Loss and Surplus

Profits from Operations and other Sources for year before providing for Depreciation, etc.		$ 665,544.35
Deduct:		
Provision for Depreciation of Plants	$ 86,751.99	
Written Off Patents	50,000.00	
Bond Interest	55,021.07	
		191,773.06
Net Profits for Year before providing for Federal Taxes		$ 473,771.29
Less Provision for Federal Taxes		48,000.00
Net Profits		$ 425,771.29
Dividends:		
Four Quarterly Dividends on Preference Stock at rate of 7% per annum	$ 215,131.00	
Four Quarterly Dividends on Common Stock at $1.00 per share each	147,471.90	
		362,602.90
Balance of Profits		$ 63,168.39
To which should be added:		
Surplus brought forward January 1, 1927		58,295.67
Balance Carried Forward		$ 121,464.06

Statement of Assets and Liabilities December 31st, 1927

ASSETS

Real Estate and Buildings	$ 440,673.97	
Plant, Machinery and Equipment	1,460,895.89	
Investments in Allied Companies	802,745.01	
Patents and Goodwill	2,301,786.62	
		$5,006,101.49
Prepaid Expense	$ 88,619.34	
Bond Discount and Expense	60,995.68	
		149,615.02
Cash in Hands of Trustee for Sinking Fund		12,228.08
Inventories	$ 410,006.53	
Accounts and Bills Receivable	729,812.64	
Marketable Securities	10,212.50	
Cash in Banks and on Hand	176,699.34	
		1,326,731.01
		$6,494,675.60

LIABILITIES

Capital Stock Issued:			
7% Cumulative Preference Stock	$3,073,300.00		
Common Stock	814,660.00		
		$3,887,960.00	
First Mortgage 6% Sinking Fund Bonds, due 1939, Outstanding		871,500.00	
			$4,759,460.00
Accounts Payable		$ 125,881.91	
Accrued Interest on Bonds		13,072.50	
Dividend on Common Stock Payable January 3, 1928		40,199.00	
			179,153.41
Reserve for Federal Taxes			48,004.61
Reserve for Depreciation			1,086,593.52
Surplus:			
Premiums on Common Stock Issued		$ 300,000.00	
Profit and Loss Account		121,464.06	
			421,464.06
			6,494,675.60

Contingent Liability in respect of dividends on $140,000.00 of 7% Preference Shares in a Subsidiary Company, these shares to be acquired at the rate of $20,000.00 per year.

AUDITORS' CERTIFICATE

We certify that the above statement of assets and liabilities is in accordance with the books of American Sales Book Company, Limited, and in our opinion correctly states the position of the Company.

CLARKSON, GORDON & DILWORTH, Chartered Accountants.

Board of Directors: S. J. Moore, A. M. Bovier, E. G. Baker, A. E. Ames, Chas. W. Colby, Frank A. Deans, Chas. Brand, H. S. Duell, Thomas Bradshaw, W. C. Metzger and James Ryrie.

Officers: S. J. Moore, President; E. G. Baker, Vice-President; A. M. Bovier, Vice-President and General Manager; W. N. McLeod, Secretary; H. P. Brown, Treasurer; W. C. Metzger, Assistant Secretary and Treasurer; T. S. Duncanson, Assistant Secretary.

Pulp & Paper

ST. MAURICE HAS LARGER GROSS; NET DROPS OFF

Working Capital Stronger —Larger Depreciation Allowance Made

From Our Own Correspondent

MONTREAL.—The annual report of the St. Maurice Valley Corporation should prove satisfactory to the shareholders for on a proportional basis gross profits for 1927 were larger than during the preceding 13 months fiscal period. Interest charges for the year increased by $130,000 and the allowance for depreciation was augmented by nearly $200,000. Hence, the actual amount applicable to the common stock reveals the decline noted in the following comparison of income account figures and working capital figures of the corporation's initial two years of operation.

	1927	13 mths. ending Dec. 31 1926
Gross profits	$4,689,373	$4,735,856
Interest	1,397,708	1,267,833
Balance	$3,291,965	$3,468,022
Depreciation	1,243,384	1,065,708
Net profits	$2,048,581	$2,402,313
Pfd. divds.	1,028,598	1,024,059
Balance	$1,019,983	$1,378,254
xCom. divds.	2,217	22,836
Balance	$1,017,766	$1,355,418
To conting. res.	......	325,000
Surplus	$1,017,766	$1,030,418
Earned on common	$6.36	$8.47

xOn Belgo Canadian minority stock.

Working Capital Position

	1927	1926
Curr. assets	$11,390,413	$9,772,365
Curr. liabs.	2,498,602	4,488,479
Work. cap.	$8,891,811	$5,283,886

In itself, the annual report of the St. Maurice Valley Corporation is of little more than academic interest as the company has entered into a partnership with the Laurentide Company since the conclusion of its fiscal year. But the fact that St. Maurice was able to show a proportional increase in gross profits during a year of hesitancy in the newsprint market, when its mills were operating at nothing like capacity, speaks well for the ultimate future of the new Canada Power and Paper Corporation.

Working Capital Larger

The feature, of course, of the balance sheet is the large increase in the working capital noted in the foregoing figures. Fixed assets have been increased by some $1,650,000 and cash account has increased by some $156,967 a year ago to $1,284,013.

In the liabilities, surplus account now stands at over $2,000,000—an increase of the more than $1,000,000 noted in the income account figures.

Remarks to Shareholders

In his remarks to the shareholders, Sir Herbert S. Holt, the president, says that the construction work carried out in 1926 at the Shawinigan Falls mill was permanently financed by the issue of 5½ per cent. bonds and 7 per cent. preferred stock. During the year the outstanding preferred was increased from $14,250,000 to $16,250,000 and the outstanding bonds increased from $21,211,833 to $22,727,329. The balance sheet shows the consolidated results of the operations of the corporation and all its subsidiaries.

During the year, the company increase its timber reserves by purchasing limits estimated to contain 1,500,000 cords of pulpwood. Production for the year was as follows:

	Tons
Newsprint	226,203
Kraft pulp	18,283
Wrappers	6,489
Book and writing papers	3,900

Port Alfred Not to Merge; Potential Profits Large

From Our Own Correspondent

MONTREAL.—Once again comes a rumor of the merger of the Port Alfred Pulp and Paper Corporation with the Canada Power and Paper Company. But there is apparently no foundation whatsoever for these rumors. The acquisition of Port Alfred by the Canada Power and Paper is certainly a possibility, as both companies are controlled by associated groups. Nevertheless there seems to be no immediate possibility of such a merger, for the Port Alfred shareholders generally seem to have a feeling that they would like first to see how their company would show up once the newsprint demand allows Port Alfred to operate at a greater percentage of its capacity.

As Port Alfred is one of the more recent producers of newsprint, its scale of operations has not been at as high a percentage of capacity as has been maintained in the older mills with longer established market connections.

When the demand for newsprint paper allows the Port Alfred mill to produce near capacity, earnings from the property will show more than substantial increases. Apparently, before Port Alfred would enter a merger the shareholders would like to see how high earnings would run under conditions more favorable than those which prevail at present.

Laurentide Carries Out Big Reforestation Scheme

It is officially reported that the Laurentide Co. last year planted four million transplants, and will plant this year between four and five million, representing four to five square miles. The company has sixteen square miles already planted, and some 2,000 acres of forest land which have been thinned and put into first class condition. This is the largest forestry operation in Canada, and probably, with the exception of the United States Forest Services and the State of Pennsylvania, the largest on the continent.

Capital in Power Leads all Fields

By 1930 Will be Over Billion Dollars Invested

The capital invested in Canadian electric light and power plants and their distribution systems is greater than in any other single industry. At the close of 1927, there was invested in the industry a total of $875,000,000. The following table showing the capital invested in the eight leading Canadian industries shows clearly how important is the power industry in the Canadian business cosmos. The figures cover the 1925 year, as this is the last date at which the complete figures are available. By 1930, there will be a minimum of $1,100,000,000 invested in the industry. The comparison of the total investment in each industry follows:

Electric light and power	$726,721,087
Pulp and paper	460,397,772
Saw mills	204,134,003
Castings and forgings	84,812,441
Cotton, yarn and cloth	83,610,686
Electrical appar. and supplies	75,375,623
Automobiles	74,678,451
Flour and grist mills	60,104,258

STRIKING GAINS SHOWN IN YEAR BY PORT ALFRED

Profits on Common Up from $2.30 to $6.80 Per Share

From Our Own Correspondent

MONTREAL. — The potential earning power of the Port Alfred Pulp and Paper Corporation in any year of bettered conditions in the newsprint industry is amply demonstrated in the annual report covering the 1927 fiscal year. As Port Alfred is one of the latest mills to enter production, the scale of production at its plant has naturally been kept below the scale of activities prevailing at most of the other and longer established mills.

The following figures of the income accounts and working capital figures of the company over the first three years of its operations as a newsprint producer reveal clearly its growth and its substantial earning power even in a year of depression in the newsprint industry generally:

	1927	1926	1925
Op. prof.	$2,666,365	$1,260,929	$921,935
Adm. exp.	......	119,989	63,518
Balance	$2,266,365	$1,140,940	$858,417
Interest	537,030	381,825	305,965
Balance	$1,729,335	$ 759,115	$552,452
Deprec.	492,942	260,363	239,358
Balance	$1,236,393	$ 498,752	$313,094
Pfd. divds.	420,000	222,122	47,945
Surplus	$ 816,393	$ 276,630	$265,149

Working Capital Position

	1927	1926	1925
Cur. assets	$6,656,620	$3,197,352	$2,919,507
Cur. liab.	1,555,559	1,628,366	1,599,763
Net w. cap.	$5,101,061	$1,568,986	$1,319,744

While the balance sheet reveals the increased financial strength of the company's working capital position, yet during the year the total outstanding bonded debt increased from $8,755,500 to $14,999,667 which partly accounts for the increase in the working capital. Reserves of one kind or another have increased during the year from $856,809 to $1,303,416 and profit and loss account shows the $800,000 addition noted in the foregoing income account figures.

The plant is now carried at $31,571,794 as against $27,516,000 a year ago. Cash and investments now stand at well over $2,000,000 as against some $130,000 last year and inventories have been largely increased.

In his remarks to the shareholders, George M. McKee, the president, says in part:

"The production of sulphite for sale, as pulp, during the year was 40,574 tons, and that of newsprint 75,761 tons. During the year your corporation in association with Price Brothers and Co., acquired the undertakings of Quebec Pulp and Paper Mills, the half interest of your corporation therein costing $1,500,000. In addition to groundwood mills, your corporation has also acquired a valuable interest in timber rights and water powers through this transaction."

Earnings on the common stock equalled $6.80 a share, as compared with $2.80 and $2.86 in the two respective preceding years.

Paper Mill for N.S.

A newsprint development which would become the second largest industry in Nova Scotia, is to be established by Eastern Canadian interests, according to an announcement by Premier Rhodes, in the Legislature. While temporarily withholding further details he stated it would mean the employment directly of upwards of 1,000 men, and in addition, afford a convenient cash market for pulpwood.

CONTINENTAL BAG CAUSES TROUBLE TO INTERNATIONAL

Minority Bondholders Do Not Want to Accept I.P.'s Reorganization

By Staff Editor

NEW YORK.—Whatever happens as a result of the judicial airing of the affairs of the Continental Paper and Bag Mills Corporation, there seems little doubt that this subsidiary of International Paper Company will shortly be whipped through a complete reorganization.

The company, which was formed back in the 1890's has for a considerable time been the weak sister of the International group, and with one exception, it is the only International subsidiary which is not wholly owned by the parent company.

The present situation whereby an application for the appointment of a receiver for Continental Bag has been made here, comes as a result of the decision of International Paper to re-organize the company, and to take it under its own wing.

Has Loaned Large Sum

For many years, International Paper has been lending the Continental corporation large sums with which to carry on; these amounts now total about $7,000,000. However, last year International Paper decided that as the property was not materially strengthening its position something would have to be done. As a result International Paper last November made a proposition to the bond holders of Continental, offering to exchange the bonds for eight and one-half shares of seven per cent. International Paper preferred stock. International Paper itself now holds the majority of these bonds, but there is a minority of the bond holders who did not take advantage of the offer, and who are now bringing action against the parent company, on ground of mismanagement, failure to live up to their agreement, and various other indictments.

Was Operated Separately

According to officials of the International Paper Company, the parent company has until recently allowed the managing interests of Continental under Herman Elsas, president and managing director, to operate and control the company's operations. However, a year or so ago as conditions were exceedingly unsatisfactory, International Paper appointed a manager, who has been more or less in charge of the concern for some time. Under this scheme, it is understood that the company has made a little progress, and that the balance sheet for the past year shows some improvement over past years.

Legal Action Was Taken

Two plans were open to International Paper. Either to wind up the company by appointing a receiver, or else to do the whole thing quietly and scale down the present capitalization of the company. International Paper chose the latter method, and this plan was about to be carried out when last week an individual in this city asked for the appointment of an equity receiver for the company on charges of mismanagement by its directors, default in payment of interest on bonds and so forth. This petition was refused by Judge Mack, of the United States Court, whereupon notification was made that a direct application for a receiver would be made this week.

To Hold Up Company?

According to officials of International Paper Company, this endeavor on the part of minority bond holders to drag the matter into the courts, is merely an attempt to hold up the company. It is understood that International Paper officials are willing, if necessary, to take the matter into the courts, as they will be glad to get the corporation reorganized. However, they consider that it is in the best interests of the Continental Paper and Bag Company to have the re-organization done quietly and it was along these lines that they had planned to put the company on a sound basis.

In the meantime, there will be no outward effect on the company's properties. The company on its Canadian side operates a bag plant at Ottawa, but until the logical move of complete acquisition of the company by International Paper takes place, it is not expected that any changes will be made. The Canadian subsidiary of Continental is understood to be operating on a sounder basis than the parent company.

The annual report of the International Paper Company covering the 1927 year will make its appearance in about two weeks' time. In 1927 the production of the company increased by about 12.6 per cent. The production of paper only increased by about 15.5 per cent. The increase in paper output can be traced to the company's new southern kraft mills and its new Canadian newsprint mill. During the year, the company used a larger proportion of its own output of pulp for further manufacture into paper, yet due to the enlargement of the Kipawa mill, which produces pulp for artificial silk manufacturers, the total volume of pulp sold was virtually equal to the 1926 figures.

The company's production figures over the past ten years follow:

	Paper	Pulp for Outside Sales	Total Paper & Pulp
1927	702,105	131,528	833,633
1926	607,630	132,542	740,172
1925	503,702	73,361	579,063
1924	434,288	......	434,288
1923	537,927	......	537,927
1922	433,809	911	434,720
1921	205,114	......	205,114
1920	532,091	6,699	538,790
1919	472,007	185	472,192
1918	472,688	269	472,937

U.S. Newsprint Mills' Production Declines

From Our Own Correspondent

MONTREAL.—The Canadian newsprint mills operated at 86 per cent. capacity in February as against 88 per cent. capacity in January. The scale of production in the United States mills also declined from 80 per cent. to 78.8 per cent. during the period. Total production of Canadian mills, though, rose from 186,721 tons in January to 189,822 tons in February, whereas production in the United States dropped from 119,525 tons to 112,302 tons. The continuance in the decline of the United States output is a satisfactory feature in the present situation surrounding the Canadian newsprint producers. However, the stocks of newsprint on hand at the mills have again increased, bearing out the information indicating that the demand for newsprint in the United States is not showing any real increase this year. It is said that the demand to date this month is less satisfactory than earlier in the year.

The total production on the North American continent for the first two months of the year amounted to 647,291 tons as against 603,050 tons a year ago. Hence, while there has been some increase in the demand it is not proportional with the increased capacities of the mills. The increase, of course, has taken place only in Canada.

More U.S. Newsprint Mills Change Output

From Our Own Correspondent

MONTREAL.—Gradually, the United States newsprint mills are switching their production to other grades of paper—a development which is of importance to the Canadian industry, which is handicapped through the fact that the capacity of the mills on this continent is in excess of the demand for newsprint paper. It is probable that the Wisconsin Rapids plant of the Consolidated Water Power and Paper Company will change its production from ordinary newsprint to book paper. The Consolidated Water Power and Paper Company owns the new Thunder Bay Paper Company at Port Arthur, which is to have a production of 250 tons daily. Hence the additional tonnage about to come from this mill will be partly offset by a decline in the company's United States production.

Montreal Tramways Has Had Satisfactory Year

From Our Own Correspondent

MONTREAL.—According to the annual report of the Montreal Tramways Commission which administers the agreement between the city and the Montreal Tramway Company, the company's annual report for the 1927 year, when it makes its appearance, should reveal satisfactory earnings. The commission's report for 1927 shows that the buses and the trams transported 222,517,883 passengers—an increase of 9,392,425 more than in the preceding year.

The average tramway fare in Montreal during 1927 was 6.046 cents, a figure which is one-third less than 8.095 cents, the average fare in American cities of a population of over 25,000.

The increased number of passengers carried during 1927 was 1.94 per cent. The buses carried almost twice as many people in 1927 than in the preceding year. The gross revenue of the tramways in 1927 amounted to $13,106,947 as against $12,899,602 last year.

In accordance with the company's contract with the city, the surplus earnings this year, after the city had obtained its $500,000 revenue and the company had received the definite allowance granted it on its capital invested, there remained a surplus of $621,206 as against a surplus last year of $68,261.

The larger surplus this year was split as follows: to the city of Montreal, 30 per cent, $186,362; to the company, 20 per cent., $124,241; to the fares reduction fund, 50 per cent., $310,603.

Good Crops Harvested on Lethbridge Northern

An average of 33.7 bushels of wheat per acre was produced on lands in the Lethbridge Northern Irrigation district in 1927, the total being 1,997,785 bushels on 60,161 acres, according to the annual report of James Pike, Lethbridge Northern Colonization manager, recently made public by the Government.

This report shows the development of the district in a very favorable light, it pointed out that 737 families were now residing on the project, that new settlers located in 1926 and 1927 produced field crops in 1927 valued at $1,585,101, erected buildings and improvements totalling $353,071, and brought in livestock worth $300,000.

The total value of all production in the district including grain, fodder crops, dairy and poultry, is shown as $2,988,295, as compared with $1,528,000 in 1926, and $568,183 in 1924. The district comprises 156,000 acres, 100,000 of which are classed as irrigable. Some 18,423 acres are still vacant, and to be disposed of.

European Labor Trouble Benefits Canadian Mills

From Our Own Correspondent

MONTREAL.—There are some signs of an improvement in the market for pulp and paper in the United States, a development which naturally affects the Canadian pulp and paper industry favorably. Due to labor troubles in Sweden, imports from that country to the States have been cut off since the beginning of the year. It is reported that the prospects of an early settlement are doubtful and the contending factions there show no signs of coming to an agreement in the near future. It seems probable that the curtailment of pulp supplies from Sweden will in all probability tend to strengthen the market for some time to come.

The situation affecting the groundwood mills has also improved, for the Scandinavian groundwood producers will run at only 75 per cent. capacity if necessary to prevent further reduction in prices. It is expected that this policy will remove about 500,000 tons of groundwood pulp from world markets. Should the lockout in the Swedish wood pulp industry continue it should have a decided influence on the market situation.

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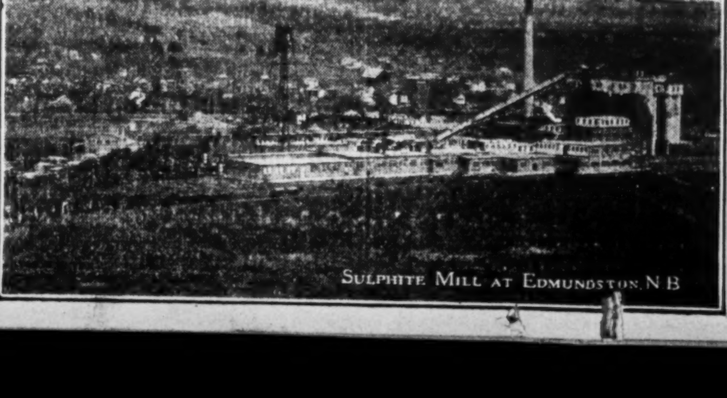

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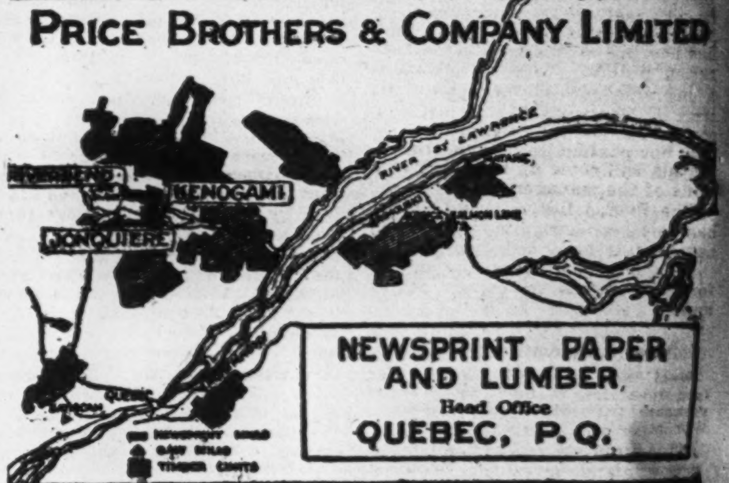

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Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance inquiries on sheets separate from other investment inquiries.

Southern Canada Power

I bought some Southern Canada Power preferred recently. Does this meet with your approval?

Southern Canada preferred is an excellent investment in our opinion.

Canada Permanent

I have come into possession of some of the debentures of the Canada Permanent Loan. How should I regard these holdings?

Your Canada Permanent Loan debentures are of course a gilt-edged investment which can be retained satisfactorily.

International Power

I am considering buying either Massey-Harris or International Power common. What do you think of these stocks and which is the more attractive?

International Power common is a long hold speculation, but it looks a more attractive stock in its class than Massey-Harris. Both are long holds.

Mt. Royal Hotel

Should I sell or hold my preferred shares of the Mount Royal Hotel?

At present prices Mount Royal Hotel preferred yields almost 12 per cent. The position of the hotel has steadily improved over the past few years and 1928 should be the best year in its history. Hence, we believe that the preferred stock is a hold—despite the fact that it is speculative.

Commerce Bldg.

We would be obliged if you would give us an opinion on the security and desirability of an investment in the 7 per cent. bonds of the Commerce and Transportation Building.

We know of no 7 per cent. bonds of the Commerce and Transportation Building, Toronto, now being offered. There is a 7 per cent. preferred stock being offered the public. We do not think this 7 per cent. preferred stock is a desirable investment for the reason that it is not yet determined what amount of first mortgage bonds will be issued which will have a prior charge on the earnings of the building to be built.

Real Estate Bonds

Being a subscriber to your paper, would ask if you consider the following a safe investment: Godfrey Realty Corporation 6 per cent. 15-year bonds, maturity 1st Jan., 1942. Bishop Realty Corporation 7 per cent. bonds, maturity 1st February, 1947.

Both Godfrey Realty Corp. and Bishop Realty Corp. are two of the newer real estate enterprises in Montreal. The Godfrey Realty Corp. has nearing completion the Confederation Building, which is located in a desirable part of the uptown district of Montreal. The property, of course, has no record of earnings and it is not possible to tell whether the rentals will come up to the expectations of the management.

The Bishop Realty Corp. building has only been completed a short time but rentals have been satisfactory.

Both of these bonds are suitable for real estate mortgage investments.

New England Investors

What has happened to the New England Investors Shares? It is an investment trust stock which was sold here recently.

The situation surrounding the New England Investors Shares at the moment is complicated, as a liquidator has been appointed for this investment trust company. Actual holders of the stock though should fare satisfactorily in the liquidation for behind every actually issued share the trustees have the collateral stock.

We understand that some of the U.S. holders of these securities who purchased the stock on the partial payment plan and who have not obtained delivery of the scrip will lose what they put into the investment trust. However, our understanding of the situation is that the Canadian investors all received delivery of the stock and are thus protected by the trustees who hold the underlying securities which are all readily marketable on the New York market. The prevailing market prices in New York will determine the amount the shareholders will obtain for their holdings.

Howard Smith Paper

I hold some of the bonds of the Howard Smith Paper Mills. How do you regard them?

Howard Smith bonds are a first class investment. The position of the company has been steadily improved over recent years. The outlook for the future is satisfactory.

General Steel Wares

How do you regard General Steel Wares and its preferred stock?

General Steel Wares preferred is a business man's hold. We believe the company will steadily improve its position. It operates under able management and we believe stands every chance of doing well.

Detroit Inter. Bridge

I hold $3,000. of the 7 per cent. participating Debentures and shall be glad to receive any information in regard to this investment.

Regarding the Detroit International Bridge 7 per cent. participating debentures. These debentures are attractive. Experience of the bridge in Buffalo and Fort Erie as well as similar bridges in the United States have been favorable. In view of the position which the Detroit International Bridge occupies between the Border Cities and Detroit and the Mid-Western States, the flow of traffic across this bridge should be of heavy proportion.

There is talk — and in fact steps have been taken to secure concessions, etc., of conducting a tunnel between Detroit and Windsor. In the event of this proposition going through, we do not think that the bonds or debentures of the Detroit International Bridge would be seriously affected. Experience of engineers with the Hudson River Tunnel and other ventures of a like character has shown only too clearly the great difficulty of ventilating under-river tunnels.

On the whole, we think these debentures are worth holding.

Asbestos Preferred

Do you think I should retain my holdings of Asbestos Corporation preferred?

While earnings of the Asbestos Corporation declined slightly last year, yet in our opinion, Asbestos preferred is a satisfactory stock in its class. You must remember, though, that it is a non-cumulative stock and as such has a greater speculative tinge. Moreover, the corporation is engaged in mining, which is a hazardous industry.

However, we learn that the corporation recently concluded a deal which will add even further strength to its already strong financial position. Hence we are inclined to feel that if a speculative preferred fits in with your investment programme, you should hang on to the stock, provided you can afford to hold stocks of this type. The corporation operates under a good management and over a term of years will in all probability do well.

Canada Biscuit Common

I have recently been approached in regard to buying of common stock in the Canada Biscuit Co., which, I believe, is a non-listed stock and sells at, approximately, $11.50 per share. This has been recommended by the salesman as a speculative possibility covering a period of from one to three years.

I would like to have your personal opinion as to whether or not you consider this stock a good speculative buy to put away for a year, or possibly three years.

There is keen competition in the biscuit business and we are not prepared to say that Canada Biscuit Company common stock at this time is a promising long hold investment. The individual companies, which formed Canada Biscuit Company about two years ago, had been successful in years past. The new company has had serious problems of co-ordination owing to the scattered locations of the various plants and it is not yet apparent that the initial difficulties have been overcome entirely.

The company has not published an earnings statement and it is difficult to judge exactly whether or not progress is being made.

On the whole, we would say that the common stock is hardly suitable for anyone who is not intimately acquainted with the details of the company's business.

Donnacona Paper

I am a business man. How should I regard the purchase of the debentures of the Donnacona Paper Company?

The Donnacona Paper Co. is owned by strong interests. The new control paid several million dollars for the common shares of no par value, which rank immediately junior to the debentures. Earnings are close to three times the debenture interest requirements. Hence, we feel that the debentures are a satisfactory security in the second mortgage class. They can be regarded as a satisfactory investment purchase for a business man.

Dominion Linens

A friend of mine purchased in May, 1921, acting on the advice of her employer, 10 fully paid cumulative preferred shares of $100 each in Dominion Linens, Ltd. She received dividends at the rate of 7 per cent. for two or three years after the purchase, but then all dividends ceased and have never been restored. Can you tell me the position of this company and what are the prospects of her ever seeing her money again?

Up to date information on Dominion Linens is difficult to obtain. The company has been experiencing disappointing times in recent years due to the falling off of consumption and competition from European countries, due to inadequate protection and low production costs in the country of origin. The flax spinning business which was moved to the United States, Lockport, N.Y., is a fairly active subsidiary, but there are reported to be continued losses in the operation of the main factory at Guelph.

Photo Engravers

I purchased 25 shares of Photo Engravers stock at 39 and also 25 shares at 34, on the strength of a statement that they were working day and night, and that they had a practical monoply on this kind of business. Is that statement right or wrong, and do you consider the purchase a wise buy?

Photo Engravers and Electrotypers is now experiencing a good volume of business and we understand that the management has under way plans for the erection of a large addition and furthermore to extend its sales activities outside of Toronto. This company has not got a practical monopoly on the photo engraving and electrotyping business in Toronto.

The market record of this stock to date has been good. If the company continues to prosper, the stock ought to show an appreciation in value but we think it will be some time before it touches 60 on the stock exchange.

Commerce Building

A customer who owns a Dominion of Canada bond is seriously thinking of exchanging it for $500 worth of the 7 per cent. preferred stock in the Commerce & Transportation Bldg., Toronto. Outside of a small savings account and some life insurance, this $500 bond represents the customer's savings. Would you advise the exchange?

We certainly would not advise exchanging a government bond for the 7% preferred stock of the Commerce and Transportation Building, Toronto. The 7 per cent. preferred stock of Commerce and Transportation Building in our opinion is not a thoroughly sound investment, because it is not as yet known how many first mortgage bonds will be issued which will have a prior charge on the earnings of the building.

A government bond is safe. If the holder of a government bond is dissatisfied he or she would be far better advised to buy the common stock of such a sound public utility as Montreal Light, Heat and Power Consolidated or Consumers' Gas Co., Toronto. Montreal Light, Heat & Power Consolidated gives a somewhat lower yield than a government bond at the moment, but it is inherently safe and this cannot be said for such a proposition as the Commerce and Transportation Building 7% preferred stock.

Dominion Steel

What is the present price of Dominion Steel preferred? Should I hang on to my shares?

The Dominion Steel Corp. preferred is now quoted between $60 and $65. Some investment authorities feel that the shares are an excellent speculative hold. We cannot confirm this because of the involved situation surrounding Besco and its subsidiaries. How the shareholders will fare depends entirely on the outcome of the forthcoming reorganization of Besco and its subsidiaries.

Another factor enters into the situation—namely, the government's attitude toward the industry. There is a possibility of some government action which would aid the coal and steel industry of Nova Scotia materially.

While the Dominion Steel Corporation controls the Dominion Coal Company—the fundamental link in the Besco chain of industries—yet this asset is offset by the fact that the Dominion Steel Corporation is not in a position to meet its guarantee of some of the bonds of the Dominion Iron and Steel Corporation—another of its subsidiaries.

While the Dominion Steel thus has large assets in its common stock holdings of the Dominion Coal Company, it has also a large liability in its guarantee of the $4,600,000 of the bonds of the Dominion Iron and Steel. The Dominion Iron and Steel, as you are aware, cannot meet its bond interest and is now being operated by the receiver.

In view of the involved factors affecting the situation, you can readily see that it is impossible to forecast how the Dominion Steel Corporation preferred shareholders will fare in the ultimate Besco reorganization. Hence you can regard the stock as being extremely speculative.

As has been said, many sound investment authorities feel that the stock at present prices is an interesting speculative hold. We are afraid, though, that we cannot altogether confirm this view of the preferred stock. However, one man's guess is as good as another's due to the many factors which may affect the corporation either favorably or unfavorably.

National Realty

I would like your opinion concerning the following:

I hold 2 $1,000.00 first closed 20-year 7 per cent. full sinking gold bonds in the National Realty Corporation. I have never seen any statement issued from the St. James Parking Garage covered by this issue and would appreciate any information you may give me as to the soundness of this investment. What are these bonds worth?

The position of the National Realty Corporation at the present time is satisfactory. All its stores are rented, and an income from rentals from this source of $12,000 is being received. The garage itself is also well patronized, and we are given to understand that earnings are running about twice bond interest requirements.

There is a fairly good market for these bonds in Toronto. The last bid price was par and the offering price 102½.

Yield with Security

I am enclosing list of my present bond holdings for your favorable opinion or criticism as the case may be. What do you think of my list as to safety of principal and other essentials of investment? List:—Lake St. John Power and Paper 6½ bonds, 1947; French Line, external 6½'s, St. Annes Paper Co.; Northern Canada Power; Provincial Paper Ltd.; Canada Northern Power Corp.; Manufacturers Finance Corp.; P. Burns and Co., (preferred), Bell Telephone (stock); St. Lawrence Paper Mills; Howard Smith Paper Mills 7's; Canadian Paperboard; and B. Greening Wire Co.

As regards the bonds held by you, we consider them to be sufficiently diversified and secured for ordinary investment purposes. As yield is apparently an important factor in your case, we think that the purchases made are suitable.

Canadian Oil

I hold ten shares of Canadian Oil Companies common, bought at 24. Should I sell at present market price? There are constant rumors that a sale of the company is pending. Can you give me any information?

We have been unable to obtain any definite information whether or not any negotiations are in progress looking to the sale of the Canadian Oil Companies.

Canadian Oil is a distributing company, buying from a refinery at Cleveland, Ohio. The company is making fairly good progress and these seems no justification for sale of the stock if it is of the character which should be held by you. It is a somewhat speculative common stock with a good future.

Investing Business Surplus

Enclosed you will find investment list, and we would appreciate your comment and suggestions in rearranging our investments, which represent our business surplus.

We feel our list is too gilt-edged for our purpose, and fancy some good standard common stocks that could be called investments, with say about $5,000 additional in stocks that could be termed business man's speculation.

Our knowledge of common stock investment is practically nil, and we will appreciate any comment you can make for our guidance in the matter.

List of Bonds and Shares

$21,000 Canadian National Railways 5 per cent. bonds, due Feb. 1, 1954, (average cost, C.N.R., $101.57).

$1,000 Dominion of Canada bonds, 4½ per cent., due 1944.

$100 Sask. Creamery & Ice Cream Co. bond.

$2,000 Canada Cement Co. bonds, 5½ per cent., due Nov. 1, 1947.

10 shares Canada Cement, 6½ per cent. preferred.

4 shares Canada Cement, common.

44 shares Sask. Co-Operative Creameries, preferred, par $10.

We agree with you that you might reasonably add a number of standard common stocks to your investments. The immediate yield from these will be somewhat low, but over a term of years, the average yield should be highly satisfactory, assuming that the Dominion is to continue to prosper. We also think that you might reasonably buy a number of the less conservative common stocks where there is evidence of stability and prospects of continuous progress.

The standard common stocks which we would suggest you buy immediately or in the future as funds become available are:

Canadian Pacific Railway, Montreal Light, Heat and Power Consolidated, Shawinigan Water and Power, Bell Telephone Co. of Canada, Consumers' Gas Co. of Toronto, City Dairy.

Less conservative, yet nevertheless sound common stocks include:

Winnipeg Electric, Steel Co. of Canada, Page-Hersey Tubes, Price Bros., Abitibi Power and Paper, Canada Bread.

In a third class of common stocks, we would place Massey-Harris Co., Russell Motors, Northern Bakeries, Brazilian Traction, Building Products, J. S. Mitchell.

Brazilian probably belongs on the border between the second and the third classes listed above. J. S. Mitchell we mention because it is a stock in a similar line of business to your own in the Eastern Townships of Quebec and is a sound, well managed company.

Stanfords

I would like to have your opinion on Stanfords' preferred as a business man's investment. Would also like to know if you consider the better class of common stocks too high for investing in at the present time. Take for instance, Steel of Canada and International Nickel? Are these stocks not rather high in price at the present time for investing?

Stanfords preferred comes under the category of a business man's investment. The company operates a number of stores in Montreal catering to a high-class clientele. For many years this concern was privately owned by Mr. Stanford but in the last three years has been under public ownership. Since the change in management the company has expanded and we understand plans are now under consideration for the addition of two more stores in Montreal which should add to the company's net income as there will be a relatively small increase in overhead and management expenses.

It is a matter of opinion whether the better class of common stocks are too high for investing in at the present time. Some are obviously overvalued and others appear to be out of line. The two stocks you mention —Steel of Canada and International Nickel—represent two distinct types of common stocks.

Steel of Canada common is considered in the investment class. As a rule, it does not fluctuate much and there is little market activity. The company is well managed, in a sound financial position and has an excellent outlook. This stock may be too high but in comparison with the balance of the list it is certainly not out of line. If bought for investment purposes we do not see why this stock should not return substantial profits to its holder.

International Nickel is a highly active stock. There is no doubt but that the future prospects of this company have been discounted to a large degree. Discoveries on the Frood extension caused a very rapid advance in price of this stock to nearly 100 from which point a recession has taken place. Officials of the company say that it will be at least another three years before the company is deriving any profits from its development work on the Frood mine. If present expectations are borne out, however, this stock should see a further advance in price.

Diversified List

I wish you would kindly advise me as to the following stocks and bonds, also advise me who has taken over the K & S Tire Bonds, as I understand the business is now carried on by an American Company, and what information you can give me of just how responsible or reliable The British Dominion Finance Co., Windsor, Ont., and The Owens Acme Gold Mines. Am considering selling my New England Invest Trust Stock, also some one of my paper bonds, no doubt these are all good, but was thinking of a better diversification, as the bulk of my funds are tied up in them.

Stocks: New England Investment Trust, Canada General Investment Trust, Lake St. John Power and Paper Co., Common, Equitable Agency Co. (St. John, N.B.), Owens Acme Gold Mines Ltd. (Ontario), Malagash Salt Co. (Nova Scotia).

Bonds: Lake St. John Power and Paper Co., 1942; Spanish Pulp and Paper Co., 1942; Anticosti Corporation, 1941; K & S Tire, 1935; Algoma Steel Corp. 1962; Malagash Salt Co., 1947.

Late last summer, the K. and S. Tire Company was taken over by the Seiberling Rubber Company in the United States. At the time the Seiberling Rubber Company undertook to assume responsibility for the bonds of K. and S. Tires. By writing to the secretary of the Seiberling Rubber Company (Canada), at Toronto, you will be able to get full information.

The Owens Acme Gold Mines is still in the prospect stage, and it may be some time before you will be able to record any appreciation in value.

Of the series of pulp and paper bonds which you list, we would recommend holding Lake St. John and Spanish Pulp and Paper.

The Malagash bonds are of a semi-speculative character. This company is a salt mining proposition with no real record of earnings behind it. In our opinion the common stock looks better than the bonds.

The New England Trust is referred to in another answer on this page.

The Canadian General Trust has been in business a little over a year now, and its records to date have been very satisfactory. An interim report published for the period ending December 31st, 1927, showed that the company is in a strong financial position. We would recommend that you hold this stock.

There have been a number of new developments in the Algoma Steel Corporation which have considerably enhanced the attractiveness of this company from an investment point of view. The Algoma Steel bonds have within the past year nearly doubled in value. We think that these bonds should be retained.

We have no information on our files regarding the Equitable Agency Company of Saint John, New Brunswick, nor can we give you any helpful information regarding the British Dominion Finance Company, Windsor, Ontario.

International Utilities

On the strength of your favorable comments on International Utilities, I bought the A stock at 49, and B at 9½. I have on file a copy of your articles over the past year, and the company's annual report; all of which are very favorable.

I see, though, from your last issue that the prospects of the company have altered considerably. Do you think that if the company loses the Calgary franchise that it will be able to earn enough to meet the dividend of $3.50 on the A stock?

In your article you indicate that the International Utilities and Calgary Power have already gone to the mat over the Lethbridge franchise. Which company won out?

Would you please give me also your ideas of what the future holds for the A and B stocks, and whether I should hold or sell the stock.

Do you think the present weakness in the shares is due to the situation surrounding the company, or can it be traced to the present weakness of the New York market? Had not this new situation developed in the West, I should not have worried over the decline of a few points in the shares.

In September last The Financial Post directed attention to International Utilities "B" as an out and out attractive gamble at around 6. Since then the stock has gone up to between 11 and 12 in New York and as high as 13 on the Montreal curb. The "B" stock also has appreciated and has touched 55.

In the meantime, it is our opinion that the slump in New York has been largely responsible for the decline in the shares. Then too, the company issued new stocks during the past few months. The issuing of an additional block of stock naturally did not improve the position of the shareholders. There was a little criticism of this action of the company. Some of the new stock sold was in payment for additional properties.

Our views of the shares at the moment remain what they were some months ago, namely, the shares may well be included amongst a business man's speculative holdings. Of course, for a real appreciation the stock would have to be held over a year or so—perhaps longer. With a low price such as this even a one point advance means a more than 10 per cent. increase in your investment. You must regard the "B" stock as a gamble.

The "A" stock can still be regarded as an interesting high yield business man's purchase. Judging from the bettered showing of the company in 1927, it is even a better purchase than it was six months ago. It is a speculative stock and must be definitely regarded as such. However, with the improving earnings of the company it seems to us that the dividend will be maintained. The purchase of these "A" shares should be regarded as a means of increasing the average yield of your holdings.

The investor who purchases only one or two speculative stocks is obviously unwise. The way to speculate is to diversify your holdings of speculative securities. Thus any real appreciation in one stock will more than offset any decline in the other speculative issues.

Yes, we believe that there is a slight possibility of The International Utilities losing the Calgary territory. If the Calgary territory is lost, we think the company can still make enough to pay its $3.50 dividend on the "A" stock. The Calgary Power Company took the franchise of Lethbridge away from the International Utilities.

Whether you should keep or sell your International Utilities depends solely on whether or not you can afford to speculate or whether you have a well diversified list of speculative holdings.

If you have investment holdings which include a sound foundation of gilt-edged bonds coupled with a group of sound investment stocks and, finally a diversified list of speculations, we would advise you most certainly to hang on to your International Utilities holdings.

If your International Utilities shares represent any real proportion of your total investment, we would certainly advise you to sell them.

Nor. Mex. Power

Under date of February 14th, it was my privilege to write you concerning the Northern Mexico Power & Development Co., inquiring as to your opinion of the common and preferred stocks. I am obliged for your acknowledgment thereof, and I notice you have published the questions asked and your answer thereto in your issue of the 24th, just at hand. Without any desire to criticize and in no spirit of censure whatever, do you feel as though you have given me the answer that I know your splendid publication is capable of giving, one that really is helpful, that lends encouragement to a potential investor in Canadian securities, and one that shows analysis of this company's affairs that has made such a splendid comeback?

Earnings of the company for the year 1927, with its increased capacity should show perhaps a net of 9 per cent. for the common stock. As the preferred (7 per cent.) ranks equally with the common for dividends after 7 per cent. has been paid on common, it would seem that the preferred is a purchase, especially as it is callable at 110, and that the preferred could easily be retired by a new issue of bonds sufficient to not only retire the preferred and remaining bonds outstanding, but to have the effect of a considerable savings, say of 2 per cent by virtue thereof, thus with the preferred out of the way and the common on a very attractive basis, the common should also be a purchase.

I know there is no obligation upon your part to supply information to your many subscribers, and I know they are many, but it does seem as though your opinion in this particular matter should have been more studied.

We have been interested to receive your letter of February 28 and we heartily agree with you that our answers to enquiries on investment matters should be carefully thought out. But we are compelled to be brief because we answer in the course of a year somewhat more than 10,000 enquiries, only the more interesting of which we publish. In less hopeful situations than that of Northern Mexico Power, we endeavor to give more complete information on the ground that the more uncertain an investment the more it requires study.

The information given in answers to enquiries is supplemented in considerable detail by the reviews of the annual reports of the companies and also by such other news as may be available concerning these companies. For instance, we find that in 1927 we had published 17 different articles of varying length concerning the Northern Mexico Power and Development Company.

In our opinion, it is a question if the participating feature of the preferred stock of this company, in view of the fact that it is callable at 110, adds materially to its merits as a speculative investment. The callable feature definitely limits the opportunity for profit. It is probable that if and when the company gets to the position where it can pay more than 7 per cent. on the common stock, there will be a disposition to call the preferred at 110. Moreover, the preferred ranks equally with the common for dividends only and not for assets, and in the event of the sale or winding up of the company, the preferred apparently would be entitled to only 110 and accrued dividends. The common is the better purchase, in our opinion from the point of view of the investor who is looking for appreciation.

When Women Invest

Asbestos Common is Held by One Who is Willing to Wait Two or Three Years for Appreciation

A WEEKLY FEATURE

I own some Asbestos common and five shares of National Distilleries. I notice that Asbestos dropped lately. I am not anxious for a speedy advance, if it will appreciate in two or three years I would be well satisfied. Please give me your opinion of both stocks.

Of course, Asbestos common can be regarded as an out and out speculation. But the company operates under an able management and occupies a predominant position in the asbestos industry of the world. Hence, for a two or three year hold you stand a chance of obtaining a satisfactory appreciation on the stock. Shares of this character should be included in other speculative holdings so that in case of a loss on some of your holdings you would stand every chance of making a large appreciation on other speculative holdings to offset your losses.

If you have speculative holdings, Asbestos corp. over a term of years has indications of doing satisfactorily. Even at present prices, National Distilleries does not look to be a particularly satisfactory speculation. But the company is well managed and the investor will get a run for his money.

Commerce and Trans. Building

Would you advise purchase of the 7 per cent. preferred stock of Commerce and Transportation Building?

We have been strongly advising our readers not to purchase the 7 per cent. preferred stock of the Commerce and Transportation Building, Toronto. In our opinion, this preferred stock is not a safe investment. The size of the first mortgage is not limited or restricted, so far as we have been able to learn.

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WEBSTER GROUP MAKE $1,600,000 MORE BY SALE

Board of Arbitration Sets Water Plant Value at $15,600,000

From Our Own Correspondent

MONTREAL.—Senator Lorne C. Webster and his associates make even more money out of the Montreal Water and Power deal than they originally counted on. The result of the recent arbitration proceedings has been to raise the price put on the property by $1,600,000.

While it is quite impossible to give minutely accurate figures of what Senator Webster and his associates have made by selling the Montreal Water and Power Company to the city of Montreal, yet it is possible to give an estimate. Montreal newspapers said that the Webster interests owned between 93 and 94 per cent. of the shares of the company.

How Webster Fared

About a year ago the Webster group bid $85 for the common and par for the preferred of the company. Most of the shares changed hands as the sale of the stock was recommended by the controlling interest in the company at that time.

The following figures reveal how the group fared in the whole transaction:

Webster interests bid:	
For common shares	$3,808,000
For preferred shares	500,000
Total price of ownership	$4,308,000
Montreal now pays for property	$15,597,661
Webster interests bought at	4,308,000
Less Co's bonds to be redeemed	5,600,000
Approximate profit remaining to Webster interests	$5,699,661

Toward the close of 1926 the Webster group began to acquire the stock and early in 1927 had virtually acquired the entire equity in the property. The hon. senator then sold the property to the city for $14,000,000. The profits which were to have been made in the deal aroused the wrath of the Montreal Board of Trade which had its consummation delayed. The result was a board of arbitration.

There was some criticism of the personnel of the board but it carried on its investigations despite that.

Board Increases Price

The result is seen in the award of the board of arbitration, headed by Wallace Nesbitt, K.C., which placed a value of $15,597,661 on the property, thus bringing further profits to the Webster interests.

Foreign Power Securities Expansion is Planned

From Our Own Correspondent

MONTREAL.—It is understood that the Foreign Power Securities is to acquire further hydro-electric and public utility properties in France. Plans have already been laid for such an expansion of the company's activities. When the Foreign Power Securities Corporation first purchased what virtually amounted to control of the securities of L'Energie Industrielle, the stock changed hands on the Paris Bourse at 130. The improving position of the French company is evidenced by the fact that the shares now change hands in Paris at about 180.

Viau Biscuit Corp. Started Year Well

From Our Own Correspondent

MONTREAL. — January and February, the first two months in the Viau Biscuit Corporation's year, were the best two months which the company has yet experienced. Sales, and both gross and net profits, were substantially in excess of the 1927 figures.

While the corporation's recently published 1927 balance sheet did not reveal as large earnings as perhaps were anticipated, yet compared with the preceding twelve months, the sales during the year increased by approximately 15 per cent. Moreover, a special, non-recurring item was written out of last year's income account. Those with a knowledge of the company feel that the outlook for 1928 is extremely satisfactory despite the competition which exists in the industry.

Durant Will Handle Own Car Sales Paper

The York Acceptance Corporation, subsidiary of Durant Motors of Canada, has introduced a change in policy by which all Durant Motors car sales' paper in Ontario will hereafter be looked after by the York Acceptance Corporation. The latter is a company organized by Durant less than three years ago for the initial purpose of taking care of car payment notes on cars sold by direct factory branches, the other dealers being permitted to make their own financing arrangements. The company now finds itself in a position to handle all paper, both wholesale and retail, whether factory or other dealers in Ontario; and hence the inaugurating this month of the new policy.

In effect, this means that Durant Motors of Canada will virtually carry its own car sales paper, as it owns the entire stock of York Acceptance Corporation.

BANK OF COMMERCE MAKES PROMOTIONS

Laird is Made Quebec Superintendent—Wedd Becomes Chief Inspector

Gordon Laird, chief inspector at the head office of the Canadian Bank of Commerce, has been appointed superintendent of Quebec branches with headquarters at Sherbrooke. Mr. Laird succeeds E. L. Stewart Patterson, who is retiring on pension.

Mr. Laird has had a wide experience in the bank. He entered the service as a junior at Waterloo and his first important appointment was that of assistant inspector at head office in 1912. About four years later he was appointed assistant manager at Toronto, and in April, 1919, took over the management of the bank's important branch at Halifax. In 1922 he assumed the management at Hamilton and in 1925 was transferred to head office as chief inspector. The duties of this position and numerous visits which he made to Quebec in the bank's interests have given him a thorough knowledge of the Eastern Provinces. For this reason, and also because of his extensive experience, he is particularly well qualified to assume the important duties which will now devolve upon him.

Mr. Patterson, whose career has been an outstanding one, entered the service of the Eastern Townships Bank at Sherbrooke in June, 1888. He was appointed manager of the Sherbrooke branch in June, 1907. In August, 1908, he was appointed acting general manager, and in 1909 became asistant general manager of the Eastern Townships Bank, a position he held at the time of the amalgamation of that institution with The Canadian Bank of Commerce in March, 1912. On the retirement of J. MacKinnon he was appointed superintendent of Eastern Townships branches at Sherbrooke. He is widely noted as an authority on banking and economics.

The bank announces the appointment of S. M. Wedd as chief inspector to succeed G. G. Laird, who has been appointed superintendent of Quebec branches. Mr. Wedd's career has been marked by success throughout and his appointment to one of the most important posts in the bank is looked upon as a well-merited promotion. Mr. Wedd entered the bank at Walkerton about 23 years ago. In 1920 he was appointed assistant inspector at head office and three years later assumed the duties of assistant manager at Sherbrooke, where he remained until three years ago, when he was transferred to head office as inspector.

New Branches Totaled Eleven During February

The Canadian chartered banks opened eleven new branches in various parts of the Dominion during the month of February and closed only one branch. Following is a list of the branches opened and closed during the month:

Opened

Can. Nationale—Sub-agency at St. Mathieu of Rimouski, Que.
Commerce—Beaver Lodge, Alta.
Dominion—Noranda, Que.
Montreal—The Pas, Man.
Nova Scotia—Glaslyn, Sask.; Sonningdale, Sask.
Royal—Turner Valley, sub to Okotoks, Alta. (Thursdays); Roycroft, sub to Spirit River, Alta. (Tuesdays and Fridays).
Toronto—Toronto, Bloor and Brunswick Ave.; Montreal, Melrose Ave. and Sherbrooke St.; Cold Lake, Man.

Closed

Royal—Rancheulo, Cuba.

Robinson Cone Company Common Being Called

Robinson Cone Company shares were scheduled to be called on the Toronto Stock Exchange at the end of the current week, probably on Friday.

This company was recently financed by issuance of common shares. Forty per cent of the stock is held by Christie Brown and Company, Toronto. The issue was brought out at $27 but has recently been selling about three points above that level.

CARTIER-MALARTIC

This property adjoins the Malartic Gold Mine. We recommend it as an attractive speculative investment.

STOBIE, FORLONG & CO. LIMITED
190 St. James St., Montreal
MAin 6762

The
ROYAL TRUST COMPANY
EXECUTORS and TRUSTEES

Saskatchewan General Trusts Corporation
HEAD OFFICE: REGINA, SASK. LIMITED
Subscribed Capital - - - $1,000,000.00
EXECUTOR ADMINISTRATOR ASSIGNEE TRUSTEE
Special attention given Mortgage Investments, Collections, Management of Properties for Absentees and all other agency business.
BOARD OF DIRECTORS:
G. H. BARR, K.C., President
WILLIAM WILSON, Vice-President
W. H. Duncan
Chas. Willoughby
Jno. C. Poyser
David Low, M.D.
P. S. Stewart
J. A. M. Patrick, K.C.
R. W. Lampman, C.A. LL.B., Gen'l Manager
W. T. Mollard
Robt. B. Hoath
Official Administrator for the Judical Districts of Weyburn, Arcola and Estevan

STEWART, McNAIR & CO.
MEMBERS TORONTO STOCK EXCHANGE
Direct Private Wires to Montreal, New York and Chicago
ELGIN 0421-2-3-4-5-6-7
TORONTO STOCK EXCHANGE BUILDING, TORONTO

NEWBOLD C. JONES BRIAN HEWARD JOHN D. MACPHERSON
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MEMBERS MONTREAL STOCK EXCHANGE
105-106 TRANSPORTATION BUILDING
TELEPHONE MAIN 2411*

THE ONTARIO LOAN AND DEBENTURE CO.
LONDON 58 years in business CANADA
Capital, paid-up, $1,750,000 Reserve Fund, $2,725,000
The Company's Debentures are a legal investment for Trust Funds which may also be deposited in the Company's Savings Department.
Money loaned on First Mortgages including building loans. Applications invited.
A. M. SMART, President T. H. MAIN, Manager

The
Willison Neely Corporation
Limited
DEALERS IN
Canadian Government, Municipal and "Dollar for Dollar" Bonds
CANADIAN PACIFIC BUILDING TORONTO
MONTREAL LONDON HAMILTON OTTAWA

No Besco Reorganization Until Government Acts

From Our Own Correspondent

MONTREAL.—The feeling persists that the Federal authorities will ultimately do something to assist the Nova Scotia steel and coal industry. While the new management of the British Empire Steel Corporation is undoubtedly working along lines leading to a complete reorganization of Besco and its constituent companies, yet it is felt that the new interests in the corporation will take no definite action until the government decides what it can do to assist the Nova Scotia industries.

There are no developments of late which have taken place affecting the corporation, other than the more or less routine matters or adjustments of one kind or another which have been receiving the attention of the management.

Irvine, of London Guarantee, Transferred to New York

T. J. Irvine, who has been fire manager of the London Guarantee and Accident Company, and manager of the North Empire Fire Insurance Company for the past six years, has been transferred by the executive of the group, of which these two companies form a part, to the New York office of the Phoenix Assurance Company, Limited.

Gordon R. Wilson, of the Phoenix group, has been appointed fire manager of the London Guarantee and Accident Company and manager of the North Empire Fire Insurance Company.

International Power Shares to be Listed

From Our Own Correspondent

MONTREAL.—It is understood that the preferred and common shares of International Power Company which are widely held by investors in Canada will probably be listed shortly. Earnings of the company for the complete 1927 year show a material improvement over the corresponding figures of 1926. At the end of last year the total customers served by the subsidiaries numbered 71,600 as compared with 64,995 at the end of 1926—equal to a 10 per cent. increase during the year.

January Boot and Shoe Output Up Over Last Year

A substantial increase in the production of boots and shoes in Canada during January, is reported by the Bureau of Statistics. In that month, 177 factories out of a total of 181 in operation, reported a production of 1,482,914 pairs, as compared with 1,407,163 pairs in the same month a year ago. As compared with December last, there was a decrease of 139,618 pairs.

The largest proportionate decrease is shown in the production of footwear with felt uppers, which dropped from 132,414 pairs in December, 1927, to 39,018 pairs in January, 1928, a decrease of 71 per cent. The production of this kind of footwear, however, shows an increase over the output of the same month last year of 1,224 pairs.

According to S. J. Cook, of the Dominion Bureau of Statistics, addressing the annual meeting of the Canadian Institute of Mining and Metallurgy, a new record of mineral production was made in Canada in 1927 with an output value of $224,520,098, compared with $240,437,123 in 1926.

Metropolitan Investment Corporation Ltd.
Members Vancouver Stock Exchange
675 Richards St.,
Vancouver, B.C.

C.P.T.Co.
A Dominion-Wide Organization

The Canada Permanent Trust Co., with branch offices in almost every important centre in Canada, is in a splendid position to offer efficient and prompt service as

STOCK TRANSFER AGENT
REGISTRAR
TRUSTEE FOR BOND ISSUES

The responsibility of our Company, our conservatism and facilities for acting in the above capacities will insure both safety and profit in the employment of this company in these services.

You are invited to confer with the Officers of the Company.

DIRECTORS:
W. G. Gooderham, President
E. R. C. Clarkson, 1st Vice-President
George H. Smith, 2nd Vice-President & General Manager
Col. A. E. Gooderham
F. Gordon Osler
William Mulock, K.C.
William Stone
George W. Allan, K.C., Winnipeg, Man.
A. B. Campbell, W.S., Edinburgh, Scotland
Norman Mackenzie, K.C., Regina, Sask.

THE CANADA PERMANENT TRUST Co
Paid-up Capital One Million Dollars
HEAD OFFICE: CANADA PERMANENT BLDG., TORONTO
Branch Offices: Toronto, Halifax, St. John (N.B.), Woodstock (Ont.), Brantford (Ont.), Winnipeg, Regina, Edmonton, Vancouver and Victoria 31

NEW ISSUE

$2,500,000

Canada Gypsum and Alabastine, Limited

5½% First Mortgage 20-Year Sinking Fund Gold Bonds, Series "A"

To be dated March 1st, 1928, maturing March 1st, 1948. Principal and semi-annual interest payable in Canadian gold coin or its equivalent at The Canadian Bank of Commerce, Paris, Ont., Montreal, Toronto, Halifax, Saint John, Charlottetown, Quebec, Ottawa, Hamilton, Winnipeg, Edmonton, Calgary, Regina, Vancouver or Victoria, or, at the option of the holder, in United States gold coin or its equivalent at the Agency of The Canadian Bank of Commerce, New York, or in Sterling at The Canadian Bank of Commerce, London, England, at the fixed rate of $4.86⅔ to £1. Coupon Bonds, denominations $1,000 and $500, with privilege of registration as to principal. Redeemable on sixty days' notice at a premium of 5% up to and including February 28th, 1929, and thereafter up to and including February 28th, 1947 at a premium of 5% less ¼ of 1% for each calendar year or part thereof of their currency, and after February 28th, 1947 until maturity without premium; in each case with accrued interest. Trustee: Montreal Trust Company.

CAPITALIZATION
(On completion of this transaction)

	To be Authorized	To be Outstanding
First Mortgage Sinking Fund Gold Bonds	$4,000,000	$2,500,000*
6% 20-Year Gold Debentures	1,000,000	1,000,000
Common Shares (no par value)	100,000 shs	75,994 shs

*of Series "A", 5½%, this issue.

Descriptive circular, copies of which will be supplied upon request, contains a letter from Mr. R. E. Haire, President of the Company, from which he summarizes:—

THE COMPANY: Canada Gypsum and Alabastine, Limited, is the largest Canadian manufacturer of gypsum products; the sole producer in Canada of "Alabastine," and a large manufacturer of hydrated lime and other lime products. The business of the Company and its predecessors has been in successful operation since 1886.

The Company is now acquiring the business and properties of Manitoba Gypsum Company, Limited, which has for many years carried on the manufacture of gypsum products, lime, etc., and of its subsidiary British Columbia Gypsum Company, Limited. On acquisition of these properties, the Company will control the total present production in Canada of "Gyproc" Wall Board, Blocks, Laths, Partition and Roof Tiles, manufactured from gypsum, "Insulex" and "Alabastine," and will be one of the largest Canadian producers of hard wall plaster, Plaster of Paris, hydrated lime and other lime products.

PROPERTIES: The plants and properties of the company and those now being acquired include mills at Caledonia and Lythmore, Ont., Montreal, Que., Winnipeg, Man., and Port Mann, B.C., for the manufacture of gypsum products and in addition, plants at Paris, Elora and Teeswater, Ont., for the manufacture of "Alabastine," plaster, lime, etc. The Company controls at Caledonia, Ont., adjoining its principal eastern mill, a developed mine containing large reserves of raw gypsum and will control at Gypsumville, Man., the only developed gypsum deposits in Manitoba, estimated to contain practically an unlimited supply of raw gypsum; and an additional mine at Falkland, B.C. Other developed mines are owned or controlled by the Company at Lythmore, Ont. and Mabou, N.S.

SALES AND MARKETS: Consolidated sales have increased from approximately $2,206,640 for the year 1923 to $4,175,342 for the year 1927, largely through development of gypsum wallboard, blocks and other gypsum products, which are nationally advertised and are sold by an efficient organization throughout Canada. Export demand from Great Britain, New Zealand and other countries is growing and will be supplied from Montreal and British Columbia plants.

VALUE OF CONSOLIDATED ASSETS: Fixed assets, comprising freehold and leasehold lands, buildings, equipment, mining lands held in fee, mining leases, licenses and rights and mining development thereon, have a present value, based upon appraisals by the Canadian Appraisal Company, Limited, together with recent additions and the Nova Scotia property, of $4,297,785.

Net current assets (working capital) on giving effect to this transaction as at December 31st, 1927, according to the Company's balance sheet, amount to $804,624.

Consolidated fixed and net current assets as above (exclusive of valuable patent rights, goodwill and sundry assets), therefore, amount to $5,102,409, as against $2,500,000 bonds now to be outstanding.

EARNINGS: Based upon annual profits of the Company for the three years ended May 31st, 1927, and of properties now being acquired for the three years ended October 31st, 1927, consolidated annual profits, after depreciation and depletion, but before Dominion income tax, and available for bond interest, were: 1925, $303,438; 1926, $399,534; 1927, $557,701.

Earnings on the same basis for the year ended December 31st, 1927, were $645,146, equivalent to 4.69 times the annual interest requirement of $137,500 on bonds now to be outstanding.

SINKING FUND: The Trust Deed will provide for an annual cumulative sinking fund for the redemption of First Mortgage Bonds of a sum equal to 2½% of all bonds issued, plus interest on bonds redeemed, commencing March 1st, 1929. It is estimated that this will be sufficient to retire at par by maturity more than 80% of bonds now being issued.

We offer these Bonds for delivery if, as and when issued and received by us, and subject to the approval of counsel of all proceedings, at—

97½ and accrued interest, to yield about 5.70%

Royal Securities Corporation, Limited

MONTREAL QUEBEC TORONTO HALIFAX SAINT JOHN WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
CHARLOTTETOWN OTTAWA HAMILTON CALGARY EDMONTON REGINA VICTORIA ST. JOHN'S, NFLD.

The above statements are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

Return of the Chartered Banks of the Dominion of Canada January 31st, 1928

Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 32, of the Statutes of 1923

Liabilities

NAME OF BANK	Notes in Circulation	Due to Dominion Government	Advances under Finance Act	Due to Provincial Governments	Demand Deposits in Canada	Savings Deposits in Canada	Deposits elsewhere	Bals. due to other banks in Canada	Due to Banks in U.K.	Due to Banks elsewhere	Bills Payable
	$	$	$	$	$	$	$	$	$	$	$
Montreal	40,642,408	21,200,517	....	5,273,679	172,112,643	403,245,752	86,147,969	1,983,528	1,692,611	6,242,835	570,903
Nova Scotia	13,597,886	2,582,189	....	377,734	34,393,059	128,263,721	33,112,394	1,783,142	145,052	1,227,987	1,220,704
Toronto	7,565,298	778,873	4,000,000	492,470	33,239,617	62,102,625		2,172,265	398,417	2,112,555	1,311,862
Provinciale	3,787,513	318,117	1,500,000	242,511	5,431,544	34,107,215	....	2,612	....	55,873	....
Commerce	25,137,998	4,698,451	4,000,000	3,355,486	125,271,941	242,380,524	42,622,454	797,804	2,545,442	11,081,951	107,403
Royal	37,450,826	6,648,209	10,000,000	5,806,149	153,957,821	304,014,487	186,176,152	1,303,991	5,300,689	21,457,294	3,978,138
Dominion	6,959,267	1,162,774	3,500,000	441,358	28,875,672	68,557,082	2,606,456	2,362,971	779,956	1,442,877	....
Standard	6,135,505	824,369	....	507,394	24,837,795	55,959,678	....	1,163,735	674,955	2,515,461	....
Nationale	11,052,764	1,295,500	....	1,225,626	21,317,376	92,634,816	1,468,576	1,995	89,888	562,493	....
Imperial	9,138,950	1,447,548	....	2,291,357	34,149,363	71,804,280	....	797,535	762,898	530,489	....
Weyburn Security	561,495	87,697	....	15,783	1,820,716	3,010,920	....	....	....	18,597	....
Total	162,029,910	41,044,244	23,000,000	20,029,547	635,407,547	1,466,081,100	352,134,001	12,369,578	12,389,908	47,248,412	7,189,010

NAME OF BANK	Letters of Credit	Other Liabilities	Dividends Declared & unpaid	Reserve Fund	Capital paid up	Total Liabilities	Capital authorized	Capital subscribed	% last dividend	Loans to Directors	Average gold and Coin Held	Average Dominion Notes held	Greatest amount notes in Circ
	$	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	12,805,510	1,085,204	909,662	30,916,700	29,916,700	814,746,627	31,175,000	29,916,700	12	3,199,342	31,236,341	62,424,737	45,181,461
Nova Scotia	6,509,997	209,973	9,820	20,000,000	10,000,000	253,433,664	15,000,000	10,000,000	16	1,182,067	9,165,979	9,128,639	15,046,009
Toronto	2,371,373	249,373	1,587	7,000,000	5,000,000	128,796,320	10,000,000	5,000,000	12	3,296,960	344,300	4,262,400	8,712,523
Provinciale	31,036	51,129	4,660	1,500,000	4,000,000	51,032,215	5,000,000	4,000,000	9	....	203,350	526,264	4,417,028
Commerce	16,521,689	....	7,716	20,000,000	20,000,000	518,528,863	25,000,000	20,000,000	12	4,966,125	17,430,000	15,935,000	28,167,722
Royal	38,897,473	250,596	18,751	30,000,000	30,000,000	835,260,581	40,000,000	30,000,000	12	2,111,642	11,984,219	9,323,565	42,143,133
Dominion	5,344,373	438,611	6,247	8,000,000	6,000,000	136,477,649	10,000,000	6,000,000	12	1,814,016	2,184,000	4,967,000	7,844,817
Standard	411,515	78,121	146,003	2,900,000	4,823,400	100,977,934	5,000,000	4,823,400	12	81,345	482,423	3,387,598	6,912,490
Nationale	833,660	....	4,722	5,500,000	5,500,000	141,487,421	10,000,000	5,500,000	10	176,550	910,481	2,585,131	13,305,899
Imperial	808,546	....	210,434	7,500,000	7,000,000	136,441,403	10,000,000	7,000,000	12	74,980	986,303	4,390,866	10,161,265
Weyburn Security	....	....	18,359	250,000	524,560	6,308,130	1,000,000	655,700	7	41,678	22,349	35,818	722,210
Total	84,535,172	2,363,007	1,337,961	133,566,700	122,764,660	3,123,490,807	162,175,000	122,895,800	.....	16,944,705	74,949,745	116,967,018	182,614,557

Assets

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from banks in Canada	Due from banks in U.K.	Due from banks elsewhere	Government securities	Canadian municipal British and foreign Securities	Railway and other bonds and stocks	Call loans in Canada	Call loans elsewhere
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	30,911,733	51,266,994	3,331,710	654,986	32,251,441	50,373	621,827	15,906,970	77,949,847	41,123,168	6,417,855	32,804,849	123,498,929
Nova Scotia	9,210,981	8,132,900	1,070,464	2,225,638	9,395,948	....	264,234	3,042,823	27,143,381	11,804,927	12,729,501	33,398,918	12,188,189
Toronto	364,389	5,532,135	501,495	74,287	8,563,215	....	79,720	2,174,238	14,500,599	2,773,568	7,979,788	17,188,693	....
Provinciale	217,964	285,968	497,745	60,166	2,062,586	2,781,573	4,506	319,118	5,914,432	2,161,066	3,785,515	11,201,591	....
Commerce	10,119,599	13,246,138	2,245,345	1,241,698	20,944,120	2,805	1,989,962	14,358,020	55,885,249	26,144,843	10,598,292	29,862,222	29,000,462
Royal†	12,085,463	19,212,771	3,407,400	15,540,779	25,939,031	4,602	1,292,000	28,820,272	92,689,787	36,050,278	20,018,875	54,790,120	67,342,449
Dominion	2,200,115	5,647,488	846,385	150,727	6,671,262	94	358,586	1,657,738	14,958,153	4,447,960	2,223,065	15,943,225	6,648,709
Standard	431,923	8,227,887	552,984	53,134	6,357,944	....	47,684	655,761	10,266,465	3,187,273	3,751,483	13,357,130	....
Nationale°	957,604	2,523,916	1,577,795	161,350	4,067,002	305,883	61,478	1,554,076	23,507,014	6,681,343	2,286,735	13,665,725	500,000
Imperial	1,050,950	4,864,956	874,217	109,671	6,998,391	613,549	880,228	555,218	16,618,519	6,982,408	143,947	15,399,815	3,400,000
Weyburn Security	23,510	34,336	26,005	594	23,992	1,347,044	....	44,356	794,775	188,198	274,951	....	100,000
Total	67,574,231	118,975,489	14,931,545	20,273,430	123,274,932	5,105,923	5,600,225	69,088,590	340,228,221	141,545,032	70,210,007	237,612,288	242,678,738

NAME OF BANK	Other current loans in Canada	Other current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank premises	Letters of Credit	Deposit for note circulation	In central gold reserves **	Shares of and loans to controlled companies	Other assets	Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	274,432,190	50,955,382	16,866,330	12,955,264	2,023,462	683,952	1,115,748	11,550,000	12,805,510	1,463,197	13,000,000	2,575,268	601,440	817,818,438
Nova Scotia	77,125,404	22,755,044	380,823	3,172,823	188,096	1,741	109,823	7,155,335	6,509,997	492,539	6,000,000	....	62,805	254,562,347
Toronto	59,511,389	....	....	1,850,136	77,923	....	159,651	3,371,623	2,371,373	264,478	2,880,866	....	....	130,219,575
Provinciale	17,156,839	....	....	1,597,201	147,260	523,983	370,432	1,930,573	31,036	200,400	....	....	178,991	51,428,953
Commerce	206,478,539	28,782,028	5,486,297	17,492,244	1,729,459	2,324,159	1,147,160	11,618,978	16,521,689	1,000,000	11,500,000	2,266,287	310,156	522,295,760
Royal†	221,829,300	161,660,791	731,324	6,002,117	2,228,908	1,948,711	1,361,938	13,770,264	38,897,473	1,300,000	9,000,000	2,137,647	487,790	838,550,100
Dominion	59,408,345	1,414,890	....	979,401	214,914	29,092	36,215	5,548,491	5,344,373	310,000	1,500,000	....	383,177	136,922,412
Standard	45,101,159	....	....	2,383,787	361,094	333,010	140,142	3,870,604	411,515	250,000	1,500,000	....	153,515	101,404,502
Nationale°	61,989,693	40,558	3,126,324	4,540,234	180,003	1,005,374	1,097,867	5,362,094	833,660	282,113	6,000,000	....	282,554	142,590,403
Imperial	64,532,979	....	12,629	5,188,825	278,743	308,259	650,699	5,073,476	808,546	345,277	2,264,466	....	348,567	138,304,346
Weyburn Security	2,445,969	100,000	....	5,669	24,218	177,830	174,097	271,023	....	28,358	200,000	....	69,735	6,355,068
Total	1,090,011,806	265,708,693	26,603,727	56,167,701	7,454,080	7,336,111	6,363,772	69,522,461	84,535,172	5,936,362	53,845,332	6,979,202	2,888,730	140,451,904

**Of this deposit $21,245,333 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return

†The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris. As the entire capital stock of the Royal Bank of Canada (France) is owned by the Royal Bank of Canada, the assets and liabilities of the former are included in the above return. —Footnote to Royal Bank return

°The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

Department of Finance, Ottawa, March 8, 1928.

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXII. Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, MARCH 16, 1928 10c. a Copy; $5.00 a Year No. 11

FANNY FARMER BALANCE SHEET IS STRONG ONE

Current Assets Rise; Finance Expansion Out of Income

LISTING IS PROBABLE

Fixed Assets Carried at Small Increase Although Expenditures Were Heavy in Past Year

While earnings of $2.98 per common share of Fanny Farmer Candy Shops, Inc., after preferred dividends and tax provision, was a reduction from $3.05 for 1926, the detailed annual report which has just become available in Canada, shows a materially improved position as at the end of 1927 compared with the previous year.

Gross sales were up nearly $400,000, the figures for the last four years being as follows:

1924	$1,906,525
1925	$2,636,674
1926	$3,353,929
1927	$3,722,682

Profit and loss account of the company, which unfortunately was omitted from the printed report distributed among shareholders, although referred to in the president's remarks, was as follows:

Total income	$436,266	$ 439,067
Deduct: Tax reserve	76,688	72,494
Net income	359,578	366,573
Preferred div.	54,000	68,102
Surplus for year	305,578	298,471
Prev. surplus	440,935	746,513
Surplus	746,513	1,044,984
Pfd. stock sinking fund		50,000
Surplus carried for'd.		994,984

Sinking fund of 20 per cent. of the net profits for redemption of preferred became effective in April of last year, which accounts for the $50,000 deduction from surplus.

Current Assets Higher

The balance sheet itself reveals a very healthful position for the company. Current assets are up from $671,107 to $792,454, while current liabilities total the negligible amount of $16,190. There are contingent liabilities of $83,500. Inventories are up only $16,000 to $234,717.

Fixed assets are up from $469,958 to $536,746, but it is explained that this increase is a very moderate proportion of the investment for 1927 in the opening of new shops and factories. A building in New York was purchased during the year at a cost of $82,000 and approximately $70,000 was spent for equipment and alterations. Virtually the whole of this expense, it is said, was met out income. Depreciation account now stands at $154,237. This is an increase of $5,170 since 1926, when $8,123 was so appropriated.

There was substantial Canadian buying of this stock, which is controlled by the same interests which control Laura Secord, a few weeks ago on the belief that the stock, now listed only on the New York curb, would be listed at Toronto. In the subsequent slump in the market, the stock sagged materially from its high of 44½, but there has been recovery since to 38 on few transactions.

It is said that the application to list the stock at Toronto has been withdrawn only temporarily. The company inaugurated at $1 dividend rate for the common two weeks ago. The dividends will be paid quarterly.

Canada Shares U.S. Tourist Funds

PACIFIC OCEAN
ATLANTIC OCEAN
CANADA, with endless travel attractions, lies next door to the world's greatest source of tourist trade.
UNITED STATES citizens annually spend abroad — $761,000,000
Prepared by Natural Resources Intelligence Service Dept. of the Interior Ottawa, Canada

If the volume of United States tourist travel continues to grow at anything like its recent rate, it will be only a matter of two or three years until the amount of money expended by Americans abroad reaches the colossal sum of a thousand million dollars a year. For 1926, according to the United States Department of Commerce, the outlay of American tourists was roundly $761,000,000—or nearly twice as much as the Dominion Government collects in tax revenues in an ordinary year.

Canada's position in relation to this trade is one of matchless advantage. Already our tourist business represents a big item, the expenditures of tourists in the Dominion amounting to roughly $260,000,000 a year. And there is ample reason to believe that this total can be doubled in the next ten years.

C. S. L. WRITE-OFFS LARGER LAST YEAR

But After Allowing for Preferred Dividends, Profits on Common Up

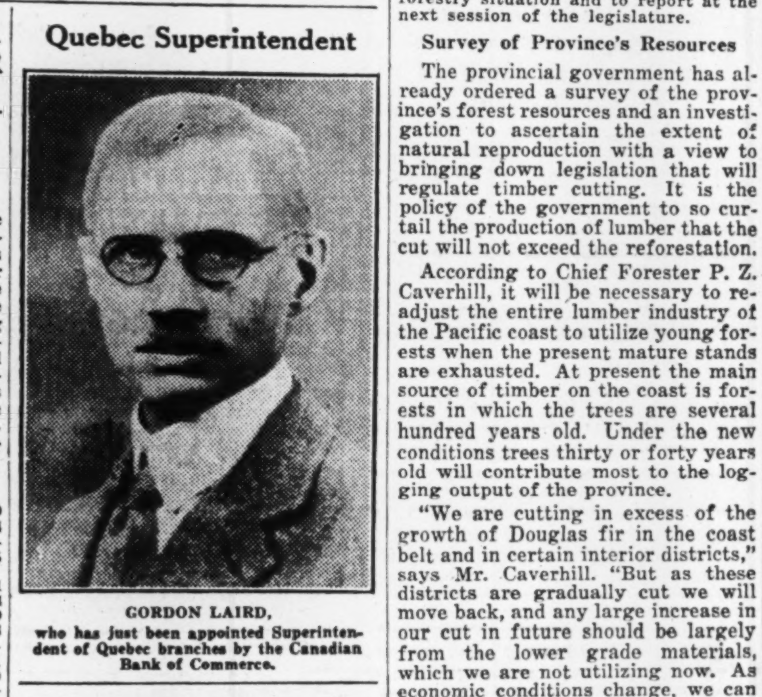
From Our Own Correspondent

MONTREAL.—The publication of the complete figures covering the 1927 fiscal year of the Canada Steamship Lines shows that despite larger write-offs for depreciation and bond discount, the company showed larger earnings on the common. The decline in the working capital position, mentioned in the president's remarks to the shareholders and published a week ago, is more than offset by an increased investment in ships and the retirement of a portion of the bonded debt during the year. The comparison of the company's figures over the past three years follows:

	1927 $	1926 $	1925 $
Total rev.	16,586,558	15,214,455	10,520,699
Expenses	12,420,201	11,416,064	8,167,624
Op. profit	4,166,357	3,798,390	2,353,075
Deduct:			
Interest	1,316,679	1,188,766	671,021
Depreciation	1,363,114	1,230,544	737,964
Bond disc. etc.	117,575	29,107	67,289
Bad debts	......	18,362	73,958
Net profit	1,368,988	1,331,409	802,841
Income tax	125,000	120,000	87,000
Net income	1,243,988	1,211,409	715,841
Pfd. divs.	900,000	......	......
Surplus	343,988	1,211,409	715,841
Prev. bal.	1,211,409	......	1,596,550
Total surp.	1,555,398	1,211,409	2,312,392
Working capital position:			
	$ 1927	$ 1926	$ 1925
Curr. assets	3,815,251	6,512,922	5,027,400
curr. liabs.	2,113,872	2,226,318	1,172,053
Work. cap.	1,701,379	4,286,604	3,855,347

A comparison of the last two balance sheets shows an increase in fixed assets from $34,528,997 to $37,728,442. Cash account has declined from $2,318,344 to $662,674. In the liabilities the funded debt has been reduced by a total of $478,743, and the surplus account has been augmented to the extent noted in the foregoing comparison of income account figures.

Quebec Superintendent



GORDON LAIRD,
who has just been appointed Superintendent of Quebec branches by the Canadian Bank of Commerce.

International Paper Dividend Not Earned?

From Our Own Correspondent

MONTREAL. — Forecasts from New York indicate that the International Paper Company during the current quarter of the year will not earn sufficient to meet the dividend requirements of its common stock. For instance, Dow, Jones and Company say:

"Slowing up in the paper industry, together with weakness in price structure of kraft paper, makes it probable International Paper's earnings in the first quarter will not cover quarterly dividend of 60 cents on 1,000,000 shares of no par common.

"Insiders who have been active in the stock are presumably well acquainted with this condition and are optimistic over prospects for full 12 months, pointing out that various properties still in development stages will be in operation in later months of 1928.

"They predict $2.40 annual dividends on common will be covered despite poor showing in first quarter and possibly in second. Reserves set up for depreciation for 1927, it is understood, will set a new high figure."

B. C. TAKES STEPS TO INSURE FUTURE SUPPLY OF TIMBER

Government Offers to Make Survey of Lumber Resources

From Our Own Correspondent

VANCOUVER. — Far reaching measures for the conservation of British Columbia's timber resources will be taken by the provincial legislature during the present session and many of them are embraced in a group of recommendations submitted by C. S. Leary, member for Kaslo-Slocan and himself active in the lumber industry of the interior.

Recommends Timber Reserves

These recommendations follow:

1. Immediate reservation of selected stands of large timber owned by the province in the coast region to form a source of supply when the present coast timber belts are cut within the next fifty years.
2. Creation of machinery to handle the work of forest fire prevention and fire fighting apart altogether from the government's forest service.
3. Reduction in timber taxation by 50 per cent. to halt the present wholesale slaughter of timber by holders anxious to avoid heavy carrying charges.
4. A complete survey of accessible timber supplies and the demands that will be made on them in the next half century, this survey to be completed in five years.
5. An educational campaign among lumbermen to reduce waste in timber operations.
6. Appointment of a committee to make an investigation into the whole forestry situation and to report at the next session of the legislature.

Survey of Province's Resources

The provincial government has already ordered a survey of the province's forest resources and an investigation to ascertain the extent of natural reproduction with a view to bringing down legislation that will regulate timber cutting. It is the policy of the government to so curtail the production of lumber that the cut will not exceed the reforestation.

According to Chief Forester P. Z. Caverhill, it will be necessary to readjust the entire lumber industry of the Pacific coast to utilize young forests when the present mature stands are exhausted. At present the main source of timber on the coast is forests in which the trees are several hundred years old. Under the new conditions trees thirty or forty years old will contribute most to the logging output of the province.

"We are cutting in excess of the growth of Douglas fir in the coast belt and in certain interior districts," says Mr. Caverhill. "But as these districts are gradually cut we will move back, and any large increase in our cut in future should be largely from the lower grade materials, which we are not utilizing now. As economic conditions change, we can cut many trees not now utilized. We are cutting more per acre now than ever and we will cut closer as time goes on. If our cut is spread over the whole timber area, we will have nothing to worry about."

Reliance Grain Does Well for Investors

From Our Own Correspondent

MONTREAL.—The common shares of the Reliance Grain Company have changed hands between brokers in Winnipeg at between $40 and $50 a share. The company was recently financed by a preferred stock issue which was sold at par to yield 6½ per cent. With each share of preferred went half a share of no par value common as a bonus. The present price of the common therefore shows the purchaser of the preferred at its issue price a high net profit.

LOAN COMPANIES RESENT ALBERTA'S MORATORIUM IDEA

Protest Against Proposal to Force Intervention in Debts

From Our Own Correspondent

EDMONTON. — Representatives of Canada's leading loan corporations in conference with Premier Brownlee this week, vehemently urged that the new Debt Adjustment Act be withdrawn and that no attempt be made at this session to put forward a bill of this drastic type. They pointed out that even as amended the bill was totally unacceptable to lenders of money in Alberta, and that its passage would tend to immediately divert loans elsewhere than to the farmers of Alberta, if not actually lead to a stoppage eventually of all such loans.

Formerly Mutual Intervention

Under the old Act the active intervention of the Government Director was only by mutual consent of borrower and lender, except in specially proclaimed areas that had been affected adversely by earthquakes hurricanes or other "acts of Providence." In ordinary cases the Director acted as an amiable arbitrator by and with the consent of both parties; under the new act as proposed and amended the lender has very little to say, the Director upon issuance of fiat by the local judge being able to declare what is stated to amount to a practical moratorium as regards the debtor; and all creditors must at the will of the Court as represented by the local judge stand aside and have their contracts become of no avail until such time and under such conditions as this court may determine.

Resent Forced Arbitration

What the loan companies particularly resent is the compulsory phase of the new legislation. They point out that thousands of cases have been equitably settled by consent of both parties and that consequently the rights of both borrower and lender have been amply protected; whereas under the new proposed law the lender has little or no say in the matter and must abide by the director or local judge's ruling or else contest his claim at great expense. Particularly in the case of eastern loan companies this will work an injustice as it will mean expensive retention of counsel and equally costly securing of evidence to back up claims that in common law are well and sufficiently protected by the contracts of indebtedness.

CALGARY POWER DICKERS TO ENTER EDMONTON MART

Company Still Seeks Right to Spray Lake Project

From Our Own Correspondent

CALGARY.—The Spray Lakes Power project, which the Calgary Power Company has expressed its willingness to take over and develop if the Alberta government is not prepared to do so, is, after much backing and filling, once more in the limelight.

Premier J. E. Brownlee has now been informed by Hon. Charles Stewart, federal minister of the interior, that he is prepared to issue authority to the province to enable the development of the Spray Lakes as a waterpower reservoir, but he qualifies this by imposing certain conditions.

Now that negotiations have been re-opened, Premier Brownlee is taking the matter up personally with Mr. Stewart and is proceeding to Ottawa shortly for that purpose.

Calgary Power Ready

The government has not given any hint yet as to whether it will proceed itself to develop the Spray Lakes project or whether it will accept the tentative proposals already made by the Calgary Power Company. Should the present negotiations really bring the matter to a head, the point mentioned will have to be decided definitely one way or the other. The Calgary Power Company assert it is ready to proceed with the project.

No new developments have taken place within the past few days regarding the negotiations between the city and the Calgary Power Company regarding the supply of natural gas. G. A. Gaherty, the manager of the power company informed The Financial Post that these were still being continued and that a definite announcement would probably be made shortly. Active steps are being taken by Mr. Gaherty to secure further options than the ten millions cubic feet per day already mentioned.

Dicker With Edmonton

He frankly admitted that his company had been negotiating with the city of Edmonton to supply that city with an interchange of power. He said they were not asking for any franchise in the larger cities but were doing so in towns along their projected transmission lines. No definite offer had yet been made to Edmonton but the matter, Mr. Gaherty said, was receiving the company's careful consideration.

Mr. Gaherty has just returned to the city after a visit to the West Kootenay Power Company's plant, controlled by the Consolidated Smelters, which in turn is controlled by the Canadian Pacific Railway. He stated there was no significance attaching to his visit. The plant, he said, was in splendid shape.

International Nickel Again Shows Strength

No Assurance That "Ups and Downs" Are Past Yet

International Nickel has been a market leader in New York and the Canadian markets in the last week and has risen substantially. How much of this rise is attributable to short covering and how much to investment buying is anyone's guess, but there are few who doubt that shorts have been interested in covering on a stock which has consistently failed to recede to predicted levels.

Yet there are those wise in the ways of markets who are not at all certain that Nickel will not evince further wide fluctuations which will be distressing to marginal purchasers at higher levels. Whatever investment buying there is under present conditions must be on favorable information not known to the public, or on the assumption that two or three years is a moderate wait for substantial appreciation in market values.

Nickel, it may be asserted, is one of the most attractive stocks for a long hold, but when the term "long hold" is used, that means three to five years, it is believed. Nickel earnings do not show any very material increase, although it must be admitted that bookkeeping methods of this corporation err on the side of conservatism if at all.

New Chief Inspector

S. M. WEDD,
who has just been appointed chief inspector of the Canadian Bank of Commerce.

Can. Northern is to Simplify Its Structure?

From Our Own Correspondent

MONTREAL.—The bonds of the Great Northern Power Corporation have been called. This move by the Canada Northern Power Corporation, the parent company, it is felt, may be the first step in simplifying the complex financial structure of the parent corporation and its subsidiaries which include Northern Canada Power, Northern Ontario Light and Power and the Porcupine Power and Telephone companies.

In the meantime, the Canada Northern Power Corporation and its subsidiaries continue to enlarge their business. The past few months have witnessed a decided increase in the demand for power in the north, precious metal mining territory which the Canada Northern Power and its subsidiaries serve exclusively.

Dominion Combing Mills Would Make Bond Issue

Dominion Combing Mills, Limited, management contemplates an issue of 7 per cent., ten-year first mortgage bonds for the purpose of wiping out the trade debt of $210,000 and providing funds for future operation. At present the company is in the hands of a provincial liquidator with March 28th set as the date for the appointment of a permanent liquidator. According to a communication from the directors of the company, if the creditors can be paid off the reorganization of the company can go forward in a manner eventually profitable to shareholders as the mills are in excellent working order and there is a good market for the product.

Canadian Banks Cut Call Loans

Bank statement for January shows one significant item—a decline of $4,350,000 in Canadian call loans. This is the first time the figures have revealed the bank's recent policy of reducing their loans to stock brokers.

In the face of a large, though seasonal decline in total assets the Canadian banks increased their current loans by $7,250,000.

Comparative figures, as tabulated by The Financial Post follow:

BANK STATEMENT FOR MONTH OF JANUARY

Immediately Available Liquid Resources

Assets

	Jan. 1928 $	Dec. 1927 $	Change $	Jan. 1927 $	Change $
Specie	67,574,231	76,519,034—	8,944,803	68,305,284—	731,053
Dom. Notes	118,975,489	138,803,816—	19,828,327	121,233,787—	2,258,298
Gold reserve	53,845,332	74,045,332—	20,200,000	53,360,332+	485,000
U. K. Banks	5,600,225	4,760,408+	839,817	11,449,754—	5,849,529
Foreign Banks	69,088,590	69,059,376+	29,214	58,811,614+	10,276,976
Foreign curr.	20,273,430	29,433,606—	9,160,176	20,172,406+	101,024
Govt. secs.	340,228,221	325,834,979+	14,393,242	314,300,261+	25,927,960
Call loans abroad	242,678,738	290,584,174—	47,905,436	290,004,522—	47,325,784
	918,264,256	1,009,040,725—	90,776,469	937,637,960—	19,373,704
Loans and Securities Other Than Those of Canadian Government					
Public secs.	141,545,032	140,503,628+	1,041,404	121,856,811+	19,688,221
Rly. secs.	70,210,007	63,105,571+	7,104,436	59,736,107+	10,473,900
Can. call loans	237,612,288	241,964,697—	4,352,409	142,204,832+	95,407,456
Current loans	1,090,011,806	1,082,732,324+	7,279,482	962,540,949+	127,470,857
Loans abroad	265,708,693	264,708,072+	1,000,621	292,841,391—	27,132,698
Prov. loans	26,603,727	25,194,213+	1,409,514	11,068,983+	15,534,744
Municipal loans	56,167,701	54,618,014+	1,549,687	59,434,242—	3,266,541
	1,887,859,254	1,872,826,519+	15,032,735	1,649,683,315+	238,175,939
Other Assets					
Non curr. loans	7,454,080	7,456,080—	2,000	8,680,034—	1,225,954
Real estate	7,336,111	7,436,177—	100,066	7,876,494—	540,383
Mortgages	6,363,772	6,396,595—	32,823	5,789,482+	574,290
Premises	69,522,461	69,059,077+	463,384	70,551,133—	1,028,672
Lets. of cred.	84,535,172	83,137,272+	1,397,900	72,868,642+	11,666,530
Loans to comp.	6,979,202	6,415,080+	564,122	5,243,640+	1,735,562
Other assets	2,888,834	2,774,834+	114,000	3,044,413—	155,579
	185,079,632	182,675,115+	2,404,517	174,053,838+	11,025,794
Total	2,991,203,142	3,064,542,359—	73,339,217	2,761,375,113+	229,828,029
Note cir. dep.	5,936,362	5,938,447—	2,085	5,772,776+	163,586
Int. Bank bal.	143,312,400	161,177,479—	17,865,099	125,204,344+	18,108,056
Gross	3,140,451,904	3,231,658,305—	91,206,401	2,892,352,233+	248,099,671
LIABILITIES TO THE PUBLIC					
Liability to Government and Circulation					
Circulation	162,029,910	182,747,049—	20,717,139	160,439,558+	1,590,352
Dom. govt.	41,044,244	43,402,056—	2,357,812	18,992,689+	22,051,555
Prov. govt.	20,029,547	19,074,766+	954,781	25,022,912—	4,993,365
Govt. advances	23,000,000	32,500,000—	9,500,000	10,000,000+	13,000,000
Deposits by Public					
Demand dep.	635,407,547	684,431,406—	49,023,859	559,743,610+	75,663,937
Savings dep.	1,466,081,100	1,444,528,540+	21,552,560	1,381,474,773+	84,606,327
Total	2,101,488,647	2,128,959,946—	27,471,299	1,941,218,383+	160,270,264
Foreign dep.	352,134,001	374,425,788—	22,291,787	331,490,481+	20,643,520
Due Banks Abroad, Etc.					
United Kingdom	12,389,908	18,507,049—	6,117,141	4,823,217+	7,566,691
Foreign	47,248,412	55,632,266—	8,383,854	42,064,081+	5,184,331
Bills pay.	7,189,010	5,900,997+	1,288,013	9,032,763—	1,843,753
Lets. of cred.	84,535,172	83,137,272+	1,397,900	72,868,642+	11,666,530
Other liab.	2,363,057	2,569,290—	206,233	2,129,356+	233,701
Pub. liab.	2,853,451,908	2,946,856,479—	93,404,571	2,618,082,082+	235,369,826
Due bet. banks	12,369,578	13,041,158—	671,580	14,379,102—	2,009,524
Liability to Shareholders					
Dividends	1,337,961	796,737+	541,224	1,336,700+	1,261
Reserve	133,566,700	133,566,700	......	125,441,700+	8,125,000
Capital	122,764,660	122,764,660	......	117,164,660+	5,600,000
Gross	3,123,490,807	3,217,025,734—	93,534,927	2,876,404,244+	247,086,563

Canadian Pacific Railway Company
DEPARTMENT OF COLONIZATION AND DEVELOPMENT

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J. S. DENNIS, Chief Commissioner, Montreal, Que.

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LAW CHANGED LITTLE

Accident Prevention in Quebec Should be Important Part of Compensation Scheme

From Our Own Correspondent

MONTREAL.—In spite of some protest on the part of labor interests, the Workmen's Compensation bill is making its merry way through the legislature at Quebec. Although there will be one or two minor changes made in the text of the new liability act, there seems little doubt that as far as principle is concerned, the two bills covering the subject will remain unchanged.

From the manufacturers' point of view, there seems to be fairly general approval of the bill. Officially, not much is being said but in this case there is no doubt that "silence means consent."

Manufacturers Pleased

The Financial Post discussed the new act with many prominent employers of labor who will be affected by the new act, and all were fairly well of one mind on the subject. As the new act is such a distinct improvement over anything that has yet been proposed in Quebec; and as its provisions cover about ninety per cent. of what the manufacturers wanted, they are quite willing to forego the other tenth, rather than throw the whole question open to controversy again.

One small change on which they have asked consideration relates to the indemnity of a man who suffers first a permanent partial incapacity, and then later a total permanent incapacity. According to the original draft, the manufacturers claim that a workman who loses an eye or some similar partial incapacity, would amount to 20 per cent. of his wages. Supposing however that at a later date—perhaps in another occupation—the same workman loses the other eye. Having suffered a total and permanent incapacity he would receive under the law a rent equal to 66 2/3 of his wages. However he is already receiving a 20 per cent. claim on his first injury, and to pay the full 66 2/3 on the second injury would give him total compensation amounting to 86 2/3 per cent. approximately. Thus the manufacturers have proposed an amendment which will obviate this situation and will deduct from the second injury the compensation payable on the first.

Labor Suggests Change

Another minor change proposed by labor and which has been accepted by the government, has to do with the fact that under the original draft, in case of a fatal accident, the only children which were eligible for compensation were those of direct issue. That is to say, any children born of a previous wife or husband would not have been recognized as eligible for compensation.

An interesting commentary on the new act comes from one of the outstanding industrial companies which has for some time been carrying its own compensation. This company operates in both Ontario and Quebec, and therefore is well qualified to judge the merits of the new law.

Prefers Quebec Law

The officials of the company welcome the new law because they believe it does not handicap them like the present Ontario statute. The situation is something like this:

Under the system of compensation that is in operation in Ontario, each industry is assessed according to the actual cost of accident compensation throughout the year. This company claims therefore, that under this system there is no particular incentive for individual effort towards accident prevention. It is the experience of the group that determines the rate of compensation and although one company may have a good record, there may be two or three companies with a very poor record, which will more than offset the conscientious company.

Of course there is some consideration given in Ontario to the company which endeavours to reduce accidents among its employees, but in this company's experience, while they were able in a few years to reduce their accidents to 30 per cent. of their former record, their assessment during this same period was reduced to only 80 per cent. In other words, they were forced to pay heavily for the poor record of the other companies with which they were grouped.

Under the Quebec system of course the company may carry its own risk and the cost of its compensation therefore depends entirely upon the record of its own employees.

Workmen to Blame

The importance of this employee record, in the field of workmen's compensation, is, as a matter of fact, only beginning to be realized by the average employer.

For instance the Canada Cement Company which operates a large number of plants throughout Canada, has gone into the question of accident prevention very thoroughly. By actual experience in their industry it has been found that between 75 and 78 per cent. of all industrial accidents are entirely due to the workmen themselves. That is to say, no matter how careful an employer may be in installing safety devices and so forth, more than three-quarters of the accidents which occur will be entirely due to the employees themselves.

Canada Cement Record

Having established this fact, Canada Cement Co. started in to cut down their accidents at the primary source—namely the employee. They used various means of accomplishing this end, but the most effective weapon was probably the fact that they "put it up" to their men, to effect the cure that could only be arrived at through their own efforts.

They started by trying for an "accidentless" month, and after many attempts they succeeded in accomplishing the thing that had hitherto been unheard of in an industrial plant of any size. Then in a year or so the accidentless month became so easy that one plant decided it would try for a perfect record for a year. The first attempt was nearly successful but not quite. The second year however (1925) created a new world's record—a thing that had never before been achieved in twentieth century civilization—a full working year in a large industrial plant, without a single accident!

Even this is now growing out of the realm of the phenomenal and last year on the American continent there were some four plants that achieved the perfect record. Incidentally, this situation is becoming somewhat expensive for the cement association which sponsors this preventive work. The trophy that is donated to the cement plant that has the best accident record on the continent is quite an expensive one—and last year this gesture cost the association something over $20,000.

"You can easily see that we're much more interested in accident prevention than in compensation" says A. C. Tagge, president of Canada Cement. "We've entirely wiped out the great majority of our accidents, with the result that we not only save a lot of money, but when an accident does occur we can afford to be much more liberal in the matter of compensation."

Obviously then under the new Quebec Act, there should be a decided incentive to manufacturers who assume their own compensation insurance, to promote the prevention of accidents among their employees. In fact the opinion is freely expressed that this phase of the work which the new Quebec Commission will tackle, constitutes one of its most important jobs.

Becomes Bond Man

W. C. WAIT, formerly of National Life, who has joined H. R. Bain & Co.

Canadian Sugar Refineries Still Find Business Slow

From Our Own Correspondent

MONTREAL. — The unsatisfactory situation surrounding the sugar refining industry continues. During the four weeks period ending February 25, all the Canadian refineries produced 64,809,477 pounds of sugar as against 58,079,022 pounds a year ago. The production for the year to date amounts to 95,650,632 pounds as against 112,940,586 a year ago.

Insurance Institute Is Active at Winnipeg

During the winter months, beginning November 2, 1927, the Insurance Institute of Winnipeg gave a series of lectures, nineteen in all, for the benefit of the students. The lectures dealt with the seven subjects outlined for the course and the last lecture on "English and Correspondence," to be given by W. J. G. Scott, of the Success Business College, on March 21, will complete the series.

The attendance throughout the course has been most satisfactory, and the greatest interest has been shown. This is not only due to the enthusiasm of the students themselves, but to the interesting and efficient manner in which the lecturers dealt with their subjects. The course of study has been well organized, each student being supplied with a set of text books and a thoroughly equipped library supplies all the reference books which are needed.

As an illustration of the work that is being carried out, on Tuesday, February 28th, the students were taken through the wood-working plant of Brown & Rutherford, to get some practical knowledge of this class of risk. The tour was in connection with the lecture on the wood working industries given by H. L. Wiglesworth.

Examinations take place during the week of April 16th to 21st, and from the fact that some 94 applications have been received, it appears that the work of the council has been well rewarded. These examinations are set by the Insurance Institute of America and the students who receive the required number of marks to pass, will be awarded a diploma which will give them a standing in the insurance fraternity and recognized by the insurance fraternity of Canada and the United States.

Northern Life Makes Big Strides in 1927

How successful the new interests in control of Northern Life have been in re-establishing this London company, is seen in the annual report for 1927 just issued. The new business for the year was $19,177,731, which was no less than 58 per cent. of the amount in force at the end of the year.

The new business issued and fully settled for was more than double the amount in 1926.

This remarkable increase in the volume of new business enabled the company to increase the business in force by over one-third, the total at the end of the year reaching $44,821,483, an increase of $11,801,956.

Total assets increased by $540,000 to $6,288,065. Average rate of interest on all assets was 6.33 per cent., an increase. Mortality was less during the year, being 45.6 per cent. of expected.

Two and a half years ago, after some vicissitudes in the matter of control, the company passed into the hands of a high calibred London directorate who have greatly strengthened it. At that time, the paid-up capital stock was reduced from $512,147 to $250,000. Of the reduction, a considerable sum was allotted to policyholders. The company, as a result of this revision shows itself with a surplus allotted to policyholders of $50,000, and an allotted surplus of $86,910.

W. C. Wait, National Life, Joins H. R. Bain & Co.

Following 24 years of service with the National Life Assurance Company of Canada, Mr. William C. Wait, C.L.U., has joined H. R. Bain and Co., Toronto and Halifax. Mr. Wait entered the employ of the National Life in 1903, and two years later became accountant and subsequently assistant secretary. For over fifteen years he had charge of the bond department. In June, 1905, he took up field work for the company, and one year later was made manager for Eastern Ontario, with headquarters at Ottawa, winning the Grand National Cup for business written during 1926. At the end of the year, the Ottawa agency stood second in production amongst all agencies of the National Life. In August, 1927, Mr. Wait was appointed inspector of agencies and given the task of organizing Central Ontario, and up to February 1st, has opened up fifteen new branches, all of which are producing. He holds the Chartered Life Underwriter degree.

Financial Counsel Issues 1928 Edition "High & Low"

Financial Counsel, of Montreal, has published the 1928 edition of "High and Low of Canadian Listed Securities." The publication again takes the form of a series of wall charts, whereby it is possible to present an extensive record in quite compact form. The record of high and low prices has been carried to the end of 1927, which brings to the card a 28-year presentation of prices of Canadian listed securities. Because of the large number of corporation capital changes brought into effect during 1927, and also the large volume of new listings on Canadian stock exchanges, it has been necessary to increase the scope of the publication in order to embody all these alterations and additions. As it is now going forward, the production gives virtually a complete record of high and low prices for all Canadian securities during 1927 and 1926 particularly, be they listed on the "big boards" or on the Curb sections.

Another valuable feature this year is an extensive record of all capital changes made during 1927 by Canadian corporations whose securities are dealt in on the public markets. Further, there is also a department which contains a full listing of dividend changes during 1927, with respect to Canadian preferred and common stocks. The publication contains a complete list of dividends being paid on Canadian preferred and common stocks as at the first of the current year.

License China Fire

Department of Insurance, Ottawa, has licensed The China Fire Insurance Company, to write sprinkler leakage insurance, tornado insurance and insurance against damage to property of any kind caused by the explosion of natural or other gas.

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Incorporated 16 years before Confederation.
Fire—Marine—Automobile—Burglary—Guarantee
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ASSETS - $400,000,000
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Dividends to Policyholders increased for eighth successive year.
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TOTAL BENEFITS
Paid to Members and their Beneficiaries
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W. H. HUNTER, President
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Toronto, Ottawa, Vancouver, Victoria, Edmonton, Saskatoon, Winnipeg, Montreal, St. John, Halifax, and Charlottetown.

What value a human being!
"Men are like figures; they acquire their value from their position."
—Napoleon
The value of your life runs up into tens of thousands of dollars and depends altogether on your position. It equals the sum of what you expect to earn throughout your life.
This intangible fortune can be made real by means of life insurance. You *should* make it real because Death bankrupts a life not adequately insured, and your family will suffer.
To protect your family the London Life grants insurance on three popular 'reduced premium' plans—the Jubilee, the Earning Power, the Duplex.
For example, the rates are such that simply the interest on $10,000 Victory Bonds would purchase from $30,000 to $44,000 life insurance at age 30, according to the plan selected to meet your needs.
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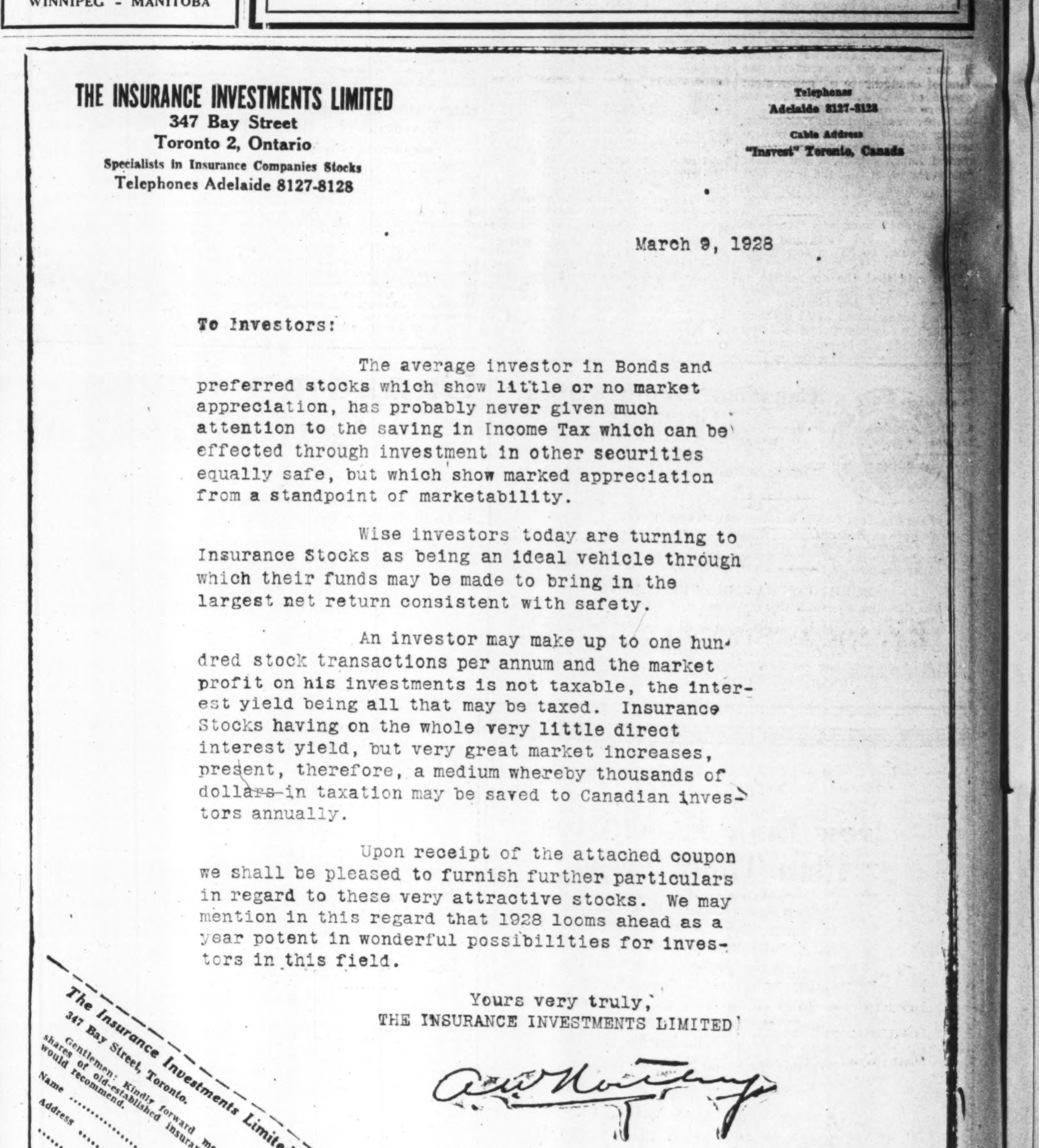
Toronto, Montreal, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria, St. John, Halifax.

78TH ANNUAL STATEMENT
ÆTNA LIFE INSURANCE COMPANY
HARTFORD CONNECTICUT
CAPITAL STOCK $15,000,000
MORGAN B. BRAINARD
President

ASSETS	$338,746,659
LIABILITIES	297,743,577
SURPLUS TO POLICYHOLDERS	41,003,082
Life Insurance paid for in 1927	901,174,039
Increase in Life Insurance in Force	295,668,268
Life Insurance in Force	3,226,688,735
Premium Income	101,747,087
Payments to Policyholders during 1927	55,121,762
Paid Policyholders since Organization	685,101,490
Increase in Assets	38,337,838
Increase in Surplus	6,309,164

General Agents in Canada:
ANDERSON & CUMMING, *General Agents*, C.P.R. Bldg., Toronto, Canada
T. H. CHRISTMAS & SON, *General Agents*, Guardian Bldg., St. James St., Montreal, Can.
ROBERT I. CLANCEY, *General Agent*, Union Trust Bldg., Winnipeg, Manitoba



THE INSURANCE INVESTMENTS LIMITED
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Toronto 2, Ontario
Specialists in Insurance Companies Stocks
Telephones Adelaide 8127-8128

Telephones
Adelaide 8127-8128
Cable Address
"Invest" Toronto, Canada

March 9, 1928

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Gentlemen: Kindly forward me particulars of shares of old-established insurance companies that you would recommend.
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....

Current Events in Banking World

NATIONAL CONTROL OF BANKING MEANS POLITICS TO RULE

Depositors, Borrowers and Note Holders Now Well Protected

One may be excused for wondering whom a recent protagonist of a "government controlled" banking system really desires to benefit; note holder, depositor or borrower?

Since 1890, when the Bank Circulation Redemption Fund was established at the suggestion of the banks themselves, Canadian bank note holders have had little reason to worry over the value of their currency. Any change suggested in present banking control cannot, therefore, be by reason of poor protection afforded to note holders who have not lost a dollar in many decades. In fact, the Bank Circulation Redemption Fund has never been called upon to redeem note holders. Nor can it be said that the currency is inelastic because the Canadian system of note circulation is outstanding as an example of elasticity

Experience of European Countries

It has been claimed that "the issue of money is essentially a government function" but even if this should be admitted, for the sake of argument, the right of issuing currency does not necessarily give it value because of its source. Any illusions one many have had to the contrary must have been dispelled by certain governments of European countries in recent years.

If protection, elasticity and stable value mean anything to the Canadian public, the present provisions of the Bank Act afford all that can be desired by note holders. It cannot, therefore, be reasonably argued that a change is necessary on their account.

Depositor is Not Suffering

Is it the depositor who is suffering under the present system?

Judging by the statistics given below, the present Bank Act apparently discharges its functions very well for it has, as regards depositors, proved 100 per cent. efficient during the past four years; previous to that, the Home Bank failure can be cited by critics but those losses, though painful to unfortunate depositors, were small in comparison with the following bank suspensions recorded in the United States in 1924, 1925 and 1926.

United States Bank Failures

Year	Suspensions
1924	613
1925	413
1926	772

Year	Liabilities
1924	$240,000,000
1925	135,000,000
1926	266,000,000

Thus in a period of three years, during which time not one dollar was lost by a depositor in Canadian banks, no less than $641,000,000 was involved in bank failures in the United States, in spite of that country's Federal Reserve Banking System and Government Inspection of banks. The Canadian depositing public cannot wax enthusiastic over the idea of changing to a "government controlled" system which could not do more for them than the present Bank Act has accomplished in reducing losses to a minimum over a period of years and which has saved them from all loss during the past four years.

Gets 75 Per Cent. of Savings

Is it the borrower for whom it is desired that a change should be effected?

Now, no institution can lend more money than it controls and considering that 75 per cent. of the Canadian people's savings are now aiding industry, agricuture, et cetera, it cannot be said that the Canadian banks are doing too badly by the borrower. Would the protagonist of the "government controlled" system wish to make it harder for the borrower? Surely no one wishes to put obstacles in the latter's way, yet, a certain resolution was recently launched in Ottawa for the establishment of a "fully developed system of national banking," the mover suggesting that "If we had an institution along the line indicated, the government would then be enabled to do its own financing on much more advantageous terms than is possible under the present system."

Divert to Political Control

In other words, to get down to brass tacks, the people's savings which are now directly aiding in the development of Canadian industry and agriculture are to be diverted to government channels. That is to say, the present so-called "concentration of financial and industrial control which to-day places our resources very largely in the hands of comparatively few individuals or corporations," is to be handed over to another set of men working under "government control"; this is implied by the suggestion that "credit should be controlled by officials who are responsible to the public and not to irresponsible corporations."

It is doubtful whether any other men feel more keenly or discharge their responsibilities toward the public more conscientiously or efficiently than the executives of the chartered banks, and they do so without "government control" which might quite conceivably result in "easy money" for the borrower. At whose expense? There is only one answer: the depositor would pay the piper.

Under the present banking system the note holder is absolutely safe, the depositor is reasonably safe and the borrower's requirements are carefully considered regardless of political influence which would hardly be the case under "government control." Such a system would be subjected to political interference and the consequences might very well prove disastrous to the country.

Bank Inspector Says System Meets Needs

From Our Own Correspondent

OTTAWA.—The inquiry into the banking system of Canada, instituted in the House of Commons, through the efforts of a group of Western members, has got under way and has already provided a clash of viewpoint between the theoretical economists in the House and the practical business and banking men.

The first witness called by the banking and commerce committee was Charles E. S. Tompkins, chief inspector of banks in the department of finance. Mr. Tompkins, being a government official, had to steer a careful course but his evidence carried throughout his conviction that the present banking system of Canada, is functioning well in the interests of the country. The first words he spoke were:

> "I believe that the banking system as it prevails meets the needs of the country adequately and while improvements might be necessary from time to time, I cannot see that there is anything radically wrong with it at the present time."

Banks Fix Credit Limits

From this premise he proceeded to answer many questions put to him by members of the committee. An attempt was made to draw from him the admission that there was a danger to the country in allowing the banks themselves to fix the limits of the amount of credit they would grant. The government, he stated, exercises no control whatsoever as to the amount of credits the banks may issue. It was left to the banks to determine as a matter of their own policy. He did not think, though, that this left too much power in the hands of the banks because past experience had shown that they have exercised that power wisely. Nor did he feel that there was danger in the situation that permitted banks to loan money to concerns in which directors were interested. It had not worked out in Canada that directors gave undue preference to their own interests.

Mr. Tompkins gave it as his observation that there was a tendency on the part of the banks to place larger responsibility upon their local managers in loaning money. A concern near the head office of a bank did not receive greater consideration than a concern more remote because the supervisors of the banks in different districts have very substantial loaning limits within which they may grant credits without reference to the head office, all of which tends to meet the situation adequately.

Loans Abroad Self-Sustaining

Nor did loans abroad rob Canadians of money that might be loaned at home for the banks pursued the policy of requiring their foreign deposits to look after their foreign loans.

Mr. Tompkins was not convinced of the value of a Federal reserve system for Canada. Interest rates found their natural rate in Canada through competition, which was now keener than ever before. There was no need for Canada to have a Federal Reserve system to control the price of money. It was very necessary for the United States, where they had a multitude of small banks and no coordination in financing, but he did not believe it was necessary for this country. Despite the large number of banks in the United States, competition in money was not necessarily keener, over there the local banks have a very narrow scope.

Farmers' Spokesman Presents Case

Arthur E. Darby, economist for the Canadian Council of Agriculture, read to the committee a long memorandum incorporating the view of that body. This memorandum was based upon a similar but longer memorandum, published about two years ago and at that time covered extensively in The Financial Post. Its chief point was its argument for smaller banks for Canada, which would enable intermediate loans to be made to agriculture. Such loans entailed for the present banks a tendency to "frozen" loans and a larger element of risk than was consonant with low charges. "In the opinion of many," said Mr. Darby, "these facts operate more powerfully on large centralized banks with many branch offices, such as exist in Canada, than they would do upon small "local" banks. The small bank must of necessity, it is argued, keep in close touch with local needs and be managed with more regard to individual character and opportunities."

Wants Intermediate Credits

Mr. Darby's chief point was for the establishment of a system that would grant intermediate farm credit between what is now granted by the banks and what is now granted by the mortgage companies. The time he mentioned was between one and two years. He suggested permissive rather than mandatory legislation along the following lines:

"1. The establishment of a National Bank of Issue and Re-discount. In this bank stock would be taken by the Dominion government, the chartered banks in proportion to their capitalization, and, in certain circumstances, the provincial governments. To it should be transferred the duties now performed by the Treasury Board, so far as they affect those banks, and the Canadian Bankers' Association, together with the custody of the central gold reserve and the circulation redemption fund. Government banking should also be handled by the National Bank. The bank should not receive deposits from the public or carry on a general banking business in competition with the chartered banks. It should take over the Dominion note issue and the making of loans to banks such as are now made under the Finance Act, expanding this function as the need develops into a general re-discounting business similar to that done by the Federal Reserve Banks in the United States.

"Ample business for a National Bank is already available, but its readiness to conduct re-discounting business—to act as a bankers' bank—will make possible the relaxation of the present quasi-monopoly enjoyed by the 11 chartered banks through the passage of legislation enabling local banks to be established where there is the genuine need and desire to establish them. This brings us to the second suggestion:

"2. The Bank Act to be amended or a supplementary act passed permitting the formation of local banks with a minimum capitalization of $35,000. Might be increased to $50,000. These banks would not be permitted to issue notes or to make loans in excess of a given multiple of their capital. They would be required to obtain currency from the National Bank by deposit of securities and re-discounting (the National Bank maintaining an adequate gold reserve) and to deposit a percentage of their deposits with the National Bank as a reserve (say 15 or 20 per cent). In return they would enjoy the re-discounting privileges extended by the National Bank. They would be subject to strict inspection and the National Bank might, under safeguards, be empowered to institute a receivership and wind them up if and when improper management occurred.

"This would mean the creation of a distinct class of bank, doing a local business and using national currency, whose shareholders and depositors (to a small extent) would be subject to ordinary business risks like the shareholders of any other concern. The shareholders in such banks would not be subject to the double liability; on the other hand, the banks would not be liable for note circulation and would maintain a reserve for the protection of depositors. The maintenance of a sufficient reserve against deposits should be required of the present chartered banks also.

"3. Any bank chartered under the present law should continue unaffected, except by the changes resulting from the substitution of the National Bank for other regulating agencies and by the institution of a reserve against deposits. But any such bank desiring to relinquish the right of note issue should be permitted to do so, its shareholders then being relieved of the double liability.

"4. To some extent the intermediate credit needs of agriculture would be met by the chartered banks under pressure of the possibility of competition from local banks, or by means of actual competition from this source, supposing the public to avail themselves of the opportunity provided. But in order to enable farmers and citizens of small means to obtain the benefit of joint credit on personal and chattel mortgage security, provincial and federal legislation should be passed enabling co-operative credit societies (short and intermediate) and people's banks to be set up. This legislation ought to be merely permissive. No pressure should be exerted to encourage premature ventures into co-operative finance. It is to be presumed, however, that, if the complaints of farmers and others against existing banking and credit agencies are well founded, they will in course of time realize the value of co-operation as the real remedy. When that takes place the legislation will direct their efforts to help themselves by joint action and liability.

"Such co-operative credit societies and banks should be permitted to do a re-discounting business with the National Bank under proper regulations. If formed under provincial legislation the provinces might be required to take some amount of stock in the National Bank proportioned to the use made of it by the co-operative societies and banks.

Mr. Darby wound up his evidence with a high tribute to Canadian bankers. When discussing his recommendation that in the formation of a Federal Reserve Bank, the capital stock should be divided up among the existing banks, he said:

> "You have to have central authority in some hands. I can not imagine it being in better hands than experienced bankers. Banking is a trade and must be carried on along trade principles. I cannot imagine that any other kind of control would be acceptable."

Bank Chat

J. O. Belanger, accountant in the Provincial Bank, Hull, has been transferred to the head office in Montreal.

W. H. Thompson, accountant of the Stratford branch of the Bank of Toronto, has been transferred to the bank's Montreal branch.

Wilfred Redditt, manager of the branch at Sombra, Ont., of the Standard Bank for the past three years, has been advised of his transfer to the branch at Pickering.

It is announced that H. S. Hase will succeed G. W. Swaisland as assistant manager of the Vancouver branch of the Bank of Montreal. Mr. Hase has been inspector of the bank in British Columbia for the past few years.

George Hay, for the past fourteen years manager of the Bank of Toronto at Petrolia, is to be transferred to Gananoque. No word has been received concerning his successor. Mr. Hay went to Petrolia fourteen years ago, from Galt.

C. D. Kent, who has been manager in the Standard Bank at New Hamburg, for the past four years, has been transferred to the Standard Bank in Tillsonburg, and leaves for his new position very shortly. Mr. Sharpe, of Pickering, will replace Mr. Kent.

The Canadian Bank of Commerce has purchased the northeast corner of Avenue Road and Eglinton Avenue, Toronto. The bank intends to at once erect a building on the site, which will contain, in addition to bank quarters, four stores, lodge rooms and apartments.

Fred W. Boehmer, of Kitchener, manager of the Royal Bank, died recently. Mr. Boehmer was in the banking business most of his life, being identified successively with the Bank of Hamilton, Sovereign and Dominion Bank. For years he was postmaster of Kitchener, but resigned the post to become manager of the Royal Bank when it opened up.

Staff changes affecting a number of members of the Edmonton branch of the Canadian Bank of Commerce are to take effect shortly. W. F. Griffiths, assistant accountant, is being transferred to head offices at Toronto, while A. G. Armit, teller, is to join the branch at Vancouver. J. D. Burpell of the foreign exchange department is to leave shortly for Ontario on three months' leave of absence.

O. Geiger has been appointed manager of the Tara branch of the Bank of Montreal to succeed A. J. H. Downing, who has been transferred to the Newmarket branch as manager. Mr Geiger is a native of Ontario and started his banking career with the former Molsons Bank. He served in various branches of that bank in Ontario, and when it was taken over by the Bank of Montreal, he was attached to the Kitchener branch of that institution, his duties including the supervision of the Bridgeport and Breslau sub-agencies. This position he held until the time of his present appointment.

Head office associates of Mr. George N. Brown, on his retiring from the Standard Bank of Canada, in which he held the post of assistant general manager, presented him with an address and silver tray and tea-service. Mr. Brown has been with the Standard Bank nineteen years, and in that time has had a wide experience both in the Eastern and Western Provinces. He was appointed assistant general manager in 1923. In partnership with Murray P. Fleming, Mr. Brown will take up an investment and general brokerage business. N. L. McLeod, the general manager, made the presentation.

J. C. Veit has been appointed manager of the Chapleau branch of the Bank of Montreal to succeed J. J. G. Richard, who has been transferred to the management of the Trois Pistoles branch of the bank. Mr. Veit is a native of Gaspe, Que., and served in various branches of the former Merchants Bank of Canada prior to enlisting in the Canadian Expeditionary Force in 1915. After four years' service overseas he returned to Canada and was attached to the Lombard Street branch, Winnipeg. He was appointed accountant of the Gladstone branch in 1923, and from June, 1927, until the date of his present appointment was accountant in the Bank of Montreal's branch at Pembroke.

Livestock Values Up

The value of livestock on farms in the Prairie Provinces, comprising horses, cattle, sheep and swine in 1927 was $324,949,000, as compared with $263,259,000 in the previous year, all three provinces recording substantial increases. The value of poultry on farms in the three Prairie Provinces was $15,915,000.

Demand for Farm Lands

The demand for farm lands in the Lethbridge district, Alberta, is very brisk and distinctly reminiscent of pre-war years. Real estate men report a veritable siege by buyers and farmers looking for land.

Weekly Bank Clearings

(As compared with same week last year)

Eastern Cities	Mar. 10, 1927	Mar. 8, 1928
Halifax	$ 2,790,225	$ 3,580,037
St. John	3,376,760	3,108,317
Moncton	693,760	822,492
Quebec	6,207,475	6460,551
Sherbrooke	960,668	1,004,855
Ottawa	7,162,081	8,008,121
Montreal	113,363,300	157,673,250
Kingston	653,608	815,738
Peterboro	761,923	826,327
Toronto	101,711,628	137,171,431
Hamilton	5,083,973	5,777,257
Brantford	1,112,483	1,535,134
Chatham	792,153	886,164
London	2,938,776	3,377,416
Kitchener	952,925	1,106,778
Windsor	3,964,332	4,965,745

Western Cities	Mar. 10, 1927	Mar. 8, 1928
Fort William	$ 861,698	$ 835,636
Winnipeg	40,356,965	50,702,048
Brandon	447,100	516,827
Regina	3,692,875	4,428,138
Moose Jaw	1,170,183	1,310,069
Saskatoon	1,669,966	2,308,939
Prince Albert	398,549	458,775
Lethbridge	523,853	659,462
Calgary	6,743,518	10,212,791
Edmonton	4,508,594	5,859,797
Medicine Hat	262,448	462,457
New Westminster	720,332	879,920
Vancouver	14,475,127	23,619,677
Victoria	1,928,379	3,526,200

Ready For Delivery

THE FINANCIAL POST

RECORD of PROSPECTUSES

Vol. IV

Gives:

156 Prospectuses of Public Financing effected in the last six months of 1927.

Table of Bonds maturing in next 3 years.

Record of Financing by Provinces and Municipalities.

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For:

Investment Bankers
Institutional Investors
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THE FINANCIAL POST
143 UNIVERSITY AVE.
TORONTO, 2—CANADA

The Mutual Life Assurance Co. of Canada

In the twenty years ending with 1927, this company increased its assurances in force more than seven and a half times. The total at December 31st was $386,669,481.

HUME CRONYN
President

W. H. SOMERVILLE
General Manager

Distinctive Progress!

	1926	1927	Increase
Insurance Issued and Settled for	$ 8,418,068	$17,042,701	102%
Insurance in Force	33,019,527	44,821,483	35%
Total Income	1,383,451	1,776,302	28%
Total Assets	5,747,773	6,288,064	9%
Reserve on Policies	5,053,231	5,611,027	11%

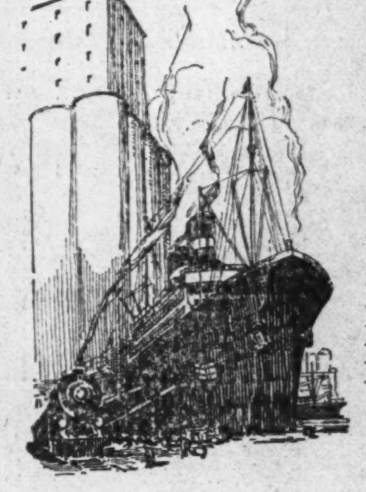
Lower Expense Rate— Higher Interest Rate

This unprecedented expansion of the Northern Life Assurance Company of Canada is largely due to the exceptionally attractive policies offered by the Company. Expert Life Insurance Service may be obtained by writing our Home Office or seeing your nearest Northern Life Agent.

36

The NORTHERN LIFE ASSURANCE COMPANY OF CANADA
ESTABLISHED 1897

New Business Contacts



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CANADIAN STOCK AND BOND QUOTATIONS

Stock Market Record

WEEK ENDING MARCH 13

	Div. Rate	Yield Mar. 12	High for wk.	Low for wk.	Close Mar. 13	Close Mar. 6	Sales for wk.	Range, 1928 High	Low
Banks—									
Commerce	12+1	4.64	283	280	281	282	152	290	277
Dominion	12+1	4.94	265	263	263	267¼	22	270	261
Can. Nationale	10	5.37	187	185	185	187	88	190	185
Imperial	12+1	5.26	248	245	246¾	247½	166	250	245
Montreal	12+2	4.08	345	341	345	343	564	347	334
Nova Scotia	16	4.16	390	380	385	385	68	390	375
Royal	12+2	3.95	354	350	350	350½	606	359½	330
Standard	12	4.89	245	241½	241¾	243	84	265	236
Toronto	12+1	4.40	297	294	294	295	135	306	280
Paper—									
Abitibi, com. (n.p.)	$4	...	77	75	75	77	3325	83	71½
Do. pref.	7	...	98	97⅞	97⅞	...	600	98	97⅞
Belgo Can., pref.	7	6.57	106½	106	106½	107½	75	110	106
Brompton (no par)	$2	3.36	61	58½	58⅝	61	1276	71	51
Can. Pr. & Paper	...	...	41	38	39	40⅞	13587	41	35
Fraser, com.	1	1.61	65	62¾	62¾	65	1782	66	52
Int. Pap., c. (n.p.)	$2.40	3.24	71½	70⅝	72⅜	71¼	41100	78½	67⅛
Do. pref.	7	6.54	107	106	106	107	135	108	105
Laurentide	6	5.17	116	116	116	135	25	135	114
Port Alf. P., c. (n.p.)	.	...	111	108	110½	108	522	122	95
Do. pref.	7	6.60	106	105½	106	106	40	108	102
Price Bros., com.	2	2.17	93	90	92	93	480	96	78
Do. pref.	6½	6.17	105¼	105¼	105¼	105½	20	107¼	103
Smith, Howard, com.	.	...	86½	85½	85½	86	400	93	71
Do. pref.	8	6.83	117	116	117	117	80	117	115
Span. River, com.	7	...	...	...	...	...	...	163½	135
Do. pref.	7	5.26	133⅛	133	133⅛	133	65	152	130
St. Maur. V., c. (n.p.)	.	...	99½	99½	99½	100¼	52	100¼	72½
Do. pref.	7	6.66	105½	105	105	104¼	10	105½	101½
Wayagamack (n.p.)	$3	2.71	113	109	113	112	1895	127¼	106
Steel and Steel Industries—									
B.E. Steel, com.	•	...	4	3	3⅛	3	325	5¼	1
Do. 1st pref.	•	...	40	39	40	39	600	48⅛	22
Do. 2nd pref.	•	...	7⅜	7	7	7½	725	11¼	3½
Can. Car & Found., c.	•	...	52	51½	52	51	1280	54⅞	44
Do. pref.	7	7.36	95	94½	95	95¼	470	95½	90
Can. Fairbanks, pref.	6+3†	5.82	..	...	...	...	...	103	103
Can. Forgings, com.	•	...	..	...	...	...	...	20	15
Do. pref.	5†	...	75	75	75	75	20	80	65
C.G.E., c. (par $50)	•	...	81	81	81	80½	10	81	70½
Do. pref. (par $50)	7	5.83	62	60	60	60	293	62½	60
Canada Iron, com.	•	...	26	26	26	26	5	26	25
Do. pref.	4	...	..	...	...	...	...	80	60½
Can. Locomotive, com.	•	...	..	...	...	...	...	x48	25
Do. pref.	7	8.75	80	80	80	80	75	80	75
Dominion Bridge	$2.60	3.61	72	68	72	69¾	5994	74¾	61½
Dominion Coal	•	...	95	94	94	95	60	96½	75
Dominion Iron, pref.	•	...	11	11	11	12	65	12	5
Dom. Steel Corp., pref.	•	...	..	...	...	...	...	76¼	44½
East Steel Prod. (n.p.)	•	...	28½	27	28	28	90	30	23
Do. pref.	7	7.29	97	95½	96	95	21	99	94
Ford Motor	15	...	..	...	...	...	...	x475	436
Gotfredson, c. (n.p.)	•	...	8	8	8	8	50	15	8
Gould Pumps, pref.	7	...	..	...	...	...	...	x100	100
Hayes Wheel, c. (n.p.)	•	...	25½	24	24	25½	295	31½	24
Do. pref.	7	7.36	95	95	95	96	5	100	95
Kelvinator, c. (n.p.)	•	...	11	8	10	8	550	12	5
Do. pref.	7	8.86	79	78	78	79	10	80	65
Massey-Har., c. (n.p.)	•	...	41	37¾	40½	38¾	9240	47¼	36¾
Do. pref.	7	6.46	108½	108	108½	108½	118	110	107½
McKin. Ind., c. (n.p.)	•	...	34	34	34	31	60	35⅜	27¾
Do. pref.	7	7.03	99½	99	99½	98¾	15	99½	97½
Do. Vot. Trust	•	...	34	31	34	31	125	35	28
N.S. Steel, pref.	•	...	26	26	26	25	55	30	25
Ontario Steel	6	5.06	..	...	...	...	...	118½	118½
Do. pref.	7	5.83	..	...	...	...	...	120	120
Page Hersey, c. (n.p.)	$3	3.12	96	93	95	93½	5515	108	85
Do. pref.	7	3.68	190	189	190	185	60	212	171
Pressed Metals, com.	$3	5.55	54⅞	53½	54	55	80	58	50
Do. pref.	7	7.36	..	...	...	...	...	95	95
Russell Motor, com.	4	7.01	..	...	...	...	...	60	56½
Do. pref.	7	7.00	..	...	...	...	...	100⅛	97½
Steel of Canada, com.	7	3.68	190	188	190	189	1407	199¾	180
Do. pref.	7	4.14	170	163½	165	163½	152	180	163
Milling, Foodstuffs and Merchandising—									
Alta Pac. G., c. (n.p.)	•	...	64	62	62¾	63	1060	70½	51
Do. pref.	7	6.96	100½	99½	100½	100	80	101½	96½
Arnolds, c. (no par)	•	...	15	13½	14½	14½	575	20⅛	13½
Do. pref.	•	...	..	...	...	...	...	87	83
Atlan. Sug., c. (n.p.)	•	...	23	21	21	22	15	27½	15½
Do. pref.	•	...	..	...	...	...	...	85½	75
B.C. Fish, c. (n.p.)	•	...	9	8	8½	9	1610	12½	6¾
Do. pref.	•	...	52	49	50	50	564	66	46
Can. Bak., c. (n.p.)	•	...	40½	40	40	40	110	42	37
Do. pref.	7	6.73	104	104	104	102½	20	105	102½
Can. Bread, c. (n.p.)	$6	3.84	156	156	156	157	10	170	153
Do. pref. (A)	7	5.69	..	...	...	...	...	123	115
Do. pref. (B)	7	6.48	109	107½	109	109	77	110	106
Can. Canners, c. (n.p.)	.	...	18	17¾	18	18	540	23	17
Do. 1st pref.	6	6.70	89¾	89	89½	89¼	392	94	88½
Do. 2nd pref.	60c	3.00	20½	20	20¼	20½	3118	25	19
Canadian Salt	8	4.96	161	161	161	160	100	161	154
Christie Br., c. (n.p.)	$1.20	1.03	117	115	117	120	125	131½	86
City Dairy, c. (n.p.)	.	...	47	46	46½	47	1245	59¼	41⅝
Do. pref.	7	5.55	126	125	126	123	10	128	121
Cuban Can. Sugar, c.	•	...	3½	3½	3½	30	50	3½	3
Do. pref.	•	...	25	25	25	25	20	30	25
Wm. Davies (A) (n.p.)	•	...	..	...	...	...	...	46	43
Do. (B) (no par)	.	...	..	...	...	...	...	20	19
Dom. Stores (n.p.)	$3	2.45	122	116	121½	117½	1225	129	104½
Do. Rts.	.	...	8.50	8.00	8.50	8.00	222	8.50	8.00
Ham. Dairies, c. (n.p.)	.	...	46½	46	46	46	75	50	45
Do. pref.	7	6.82	..	...	...	...	...	103	102
Hunts, Ltd., c. (n.p.)	$1	2.55	39	39	39	39	10	46	37
Do. pref.	7	6.93	..	...	...	...	...	101	99
Inter. Milling, pref.	7	6.51	..	...	...	...	...	110¼	107½
Lake of Woods, c.	12	6.97	172	170	170	170	85	185	167
Do. pref.	7	5.60	125	125	125	124	55	125	122
L. Secord, c. (n.p.)	.	...	39	38	38	38	97	46	37
Do. pref.	7	5.49	130	127½	127½	130½	302	136	121
Loblaw, c. (n.p.)	$1	1.05	97	95	95½	95	600	119	93⅛
Do. pref.	7	5.00	145	140	140	145	31	175	134
Do. Rts.	.	...	3.50	3.00	3.50	3.25	674	3.75	3.00
Maple Leaf Mill., c.	•	...	114	113	113	113	180	128⅝	100
Do. pref.	7	6.42	109	108½	109	107	100	111	103
Muirheads, c. (n.p.)	60c	4.13	14½	14	14½	14½	318	16½	13¼
Do. pref. (par $10)	75c	5.35	14	14	14	14	47	17½	11
Nat. Grocers, pref.	8	8.08	99	99	99	99	20	99½	98
Ogilvie Fl., c. (n.p.)	5	1.25	400	395	400	395	65	425	395
Do. pref.	7	4.93	..	...	...	...	...	143	135
Pure Gold Mfg. (n.p.)	$1.50	6.00	25¼	25¼	25¼	26	40	28	22
Shred. W., c. (n.p.)	$3	4.36	69½	68	68½	68	620	78⅞	65½
Stanfords, c. (n.p.)	$1	4.15	24	23	23	24	58	27¼	23
Do. pref.	7	7.33	96	95½	95½	96	28	96	94
St. Law. Flour, c.	.	...	38	37⅞	37⅞	38	25	52¼	35
Do. pref.	7	7.36	95	95	95	95	20	95	95
Viau Bisc., c. (n.p.)	.	...	23	21½	22½	20½	785	33	15
Do. pref.	7	8.33	84	84	84	86	100	88½	84
W. Can. Fl., c. (n.p.)	$1	4.00	35	33	35	35	692	50	31½
Do. pref.	6½	6.25	105	104	105	105	82	106	104
W. Groc., c. (no par)	$1	4.74	22	21	21	20	55	22	19
Do. pref.	7	9.33	76	76	76	75	40	77	75
Weston, com.	•	...	63	58	62	58	424	63	48
Do. pref.	•	...	100½	100	100½	100	315	100½	100
Utilities—									
Bell Telephone	8	4.81	166	165	166	165½	399	166½	154
Calgary Power	5	4.71	..	...	...	...	...	108	100
Consumers Gas	10	4.97	202	200	202	200	44	202	196
East Koot. Pr. (n.p.)	.	...	..	...	...	...	...	25	25
Do. pref.	7	6.96	..	...	...	...	...	100½	99
Int. Util. (A) (n.p.)	$3.50	7.77	47	45	45½	45½	1828	51¼	44¼
Do. (B) (n.p.)	.	...	7½	7	7¼	7¼	2528	10⅝	6½
Jamaica Pub. Ser., pf.	7	6.19	113	113	113	113	5	115	105
Laurentide Power	5	3.84	130	130	130	133½	10	165	130
Mackay, com.	7	6.25	112	112	112	115	1	119¼	109½
Do. pref.	4	5.71	71½	70	70	71¼	130	71½	66
Mexican Light, c.	.	...	..	...	...	...	...	67	61½
Do. pref.	3½	...	..	...	...	...	...	80	77
Mont. L H & P (n.p.)	$2	2.21	90½	90	90	90½	2536	94½	89
Mont. Teleg. (p. $40)	8	5.82	55	55	55	55	40	55	53¼
Nor. Mex. Pr., c.	4	4.00	100	99	100	100	320	110	90
Do. pref.	7	6.93	101	100⅝	100⅝	99	20	105	97
Ot. & Hull P., c. (n.p.)	.	...	..	...	...	...	...	70	35
Do. pref.	7	6.48	..	...	...	...	...	108	99
Ott. L. H. & Pr., c.	6	4.61	130	130	130	131	2	134	130
Do. pref.	6½	6.07	..	...	...	...	...	109	105
Power Corp., c. (n.p.)	.	...	82¼	77¾	82	77	9390	85½	70½
Do. pref.	6	5.94	101	101	101	101	20	102	99
Quebec Power, c.	$2	2.31	87	85	85	87	2273	92	85
Shawinigan (n.p.)	$2	2.17	92¼	90	91¾	91½	11550	99	87
S. Can. Pr., c. (n.p.)	4	2.96	145	130	135	140	235	161	114
Do. pref.	6	5.60	..	...	...	...	...	107⅞	100½
Shawinigan Rts.	.	...	8	7½	8	7¾	45105	8½	7½
West Koot. Pr., pref.	7	6.57	..	...	...	...	...	106½	106½
Transportation—									
Can. Pacific Rly.	10	4.80	212⅜	207¾	212⅜	204	88	215	200
Can. Steam., c. (n.p.)	.	...	34	33	34	33	590	35	31
Do. pref.	6	6.52	92¾	91½	92	92	1157	92¾	89
Do. voting	.	...	33	32	33	32	90	33	31
Tractions—									
Barcelona (par $50)	1	...	63	63	63	60	100	63	60
Brazilian, c.	7	3.35	208½	199½	205½	203	17837	223¾	195
Do. Rts.	.	...	20	18¾	19½	19	12349	21½	18
Do. (new)	.	...	53⅛	51⅛	52½	52½	15098	54½	50¼
Do. pref.	6	3.72	163	161	162	160	18	183	160
Detroit Un. Rly.	.	...	..	...	...	...	...	1	1
Duluth-Superior	$1	6.66	15	15	15	20	70	22	15
Mexican Trams.	.	...	..	...	...	...	...	x21	19¼
Montreal Trams.	10	5.00	200	200	200	199	60	200	190
Ottawa Traction	4+1	7.04	..	...	...	...	...	72	68
Porto Rico Rlys., c.	$3	...	..	...	...	...	...	x70⅜	59
Do. pref.	7	7.00	..	...	...	...	...	100⅛	98½
Twin City, c.	4	7.54	53	51½	51⅝	52⅝	478	55	47
Do. pref.	7	6.63	105¼	105¼	105¼	105¼	15	106	102¾
Winnipeg Elec., c.	2	1.60	124¾	116	123	116	19703	124¾	98
Do. pref.	7	6.45	109	106¼	108⅞	105½	126	115	105½
Textiles—									
Can. Conn. Cot., pref.	4	5.36	74½	70	71½	67	235	88	66
Can. Converters	7	5.98	117	115	117	115	246	124	101
Can. Cotton, com.	8	5.92	135	135	135	135	5	152	130
Do. pref.	6	5.97	100½	100½	100½	100	10	102½	100
Can. Woollens, com.	•	...	15	15	15	17	5	25	12
Do. pref.	•	...	79	79	79	81	10	85	78
Cosmos Imp., c. (n.p.)	.	...	21	20	21	20¼	325	27½	17
Do. pref.	7	7.07	99	98½	99	98½	36	101	98½
Dom. Tex., c. (n.p.)	$5	3.96	126	125	126	126½	95	134½	125
Do. pref.	7	5.34	..	...	...	...	...	131	130
Monarch Knit, c.	•	...	..	...	...	...	...	x39½	7½
Do. pref.	.	...	55	55	55	69	5	70	45¾
Montreal Cottons, c.	6	5.21	..	...	...	...	...	116	115
Do. pref.	7	5.69	..	...	...	...	...	125	121
Penmans, c. (n.p.)	4	3.92	102	101	101	101	45	106	97½
Do. pref.	6	5.76	104	104	104	103	1	106¼	103
Wabasso Cot. (n.p.)	6	...	..	...	...	...	...	133	125
Zimmerknit (n.p.)	.	...	23	20	20	23	250	30	20
Do. pref.	7	7.69	92	91	91¼	91	73	105	91
General Industrials—									
Am. Sales, c. (p. $20)	4	5.40	74	74	74	74	260	80	71
Do. pref.	7	6.42	109	109	109	108½	36	112	108
Asbestos Co., c. (n.p.)	.	...	31	29	30	31	1511	37	29
Do. pref.	7	7.69	92	91	91	91⅞	510	96	90½
Brant. Cd., pf. (p. $25)	8	10.52	20	19	20	19	250	20	15
Building Prod., com.	$1.20	2.80	47	40	45¼	43	11335	47	33¾
Do. pref.	7	6.82	..	...	...	...	...	106	102½
Do. Rights	.	...	19	18½	19	...	53	19	18½
Burt, F. M., c. (p. $25)	$3	4.38	68½	68	68	68	70	76	63
Canada Cement, c.	.	...	33¾	32	32	33½	1322	35	31
Do. pref.	7½	7.50	100	99¼	100	99½	855	101¼	97½
Can. Bronze, c. (n.p.)	.	...	83	79	83	79	560	87	67
Do. pref.	7	6.33	111	110	110½	111	30	111	109½
[illegible]its, c. (no par)	.	...	..	...	...	...	...	38	35
Do. pref.	7	6.86	..	...	...	...	...	102	101
C. Smelt. (p. $25)	10+40	4.66	271	267	268	270	1738	289½	251
Crow's Nest Coal	6	9.83	61	61	61	60	20	62	50
Dom. Glass, c.	7	5.34	132	128	132	128	275	135	125
Do. pref.	7	5.83	..	...	...	...	...	120⅝	119
[illegible]ber, pref.	7	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
E. Theat., c. (p. $25)	$2	7.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Do. pref.	7	7.21	97	95½	96¾	97	43	100	95
Famous Players, c.	.	...	87	86	86	86	90	90	40
Do. pref.	8	7.61	105	104	105	104	61	106	102
Gilman, com.	6	5.45	..	...	...	...	...	120	109
Do. pref.	7	6.19	..	...	...	...	...	123⅛	113
Goodyear Tire, com.	$5	3.37	150	138	142	155	1541	168	136
Do. pref.	7	6.45	108½	107	108	108	126	108¼	104
Ham. Un. Theatres, c.	.	...	10	10	10	12½	6	12½	7
Do. pref.	7	8.53	..	...	...	...	...	82	82
Holt, Renfrew, c.	.	...	115	115	115	112	50	115	80
Do. pref.	7	7.00	100	100	100	100	12	100	92
Int. Nic., c. (p. $25)	$2	2.18	97	81¾	91½	85½	142181	100	73¾
King Edward Hotel	$2	3.44	60	57⅞	59	53	544	60	50
Lyall Construction	.	...	59½	52¼	59	52½	2105	60	47
Loew's, com.	.	...	..	...	...	...	...	40	40
Do. pref.	7	6.93	101	100	100	101¾	194	101¾	100
National Brick, com.	.	...	..	...	...	...	...	9	4
Do. pref.	6	8.10	..	...	...	...	...	75	60
Pacific Burt, com.	6	5.12	..	...	...	...	...	137	117
Do. pref.	7	5.83	120	120	120	127	15	136	120
Photo Engrav. (n.p.)	$2	5.55	36⅛	35	36	37	330	41¼	33
Port Hope San., com.	4+2	2.72	..	...	...	...	...	220	190
Do. pref.	7	5.73	..	...	...	...	...	122	120
Rogers, Wm., com.	4	5.71	70	70	70	70	5	70	65
Do. pref.	7	6.79	..	...	...	...	...	103	100
Sher-Williams, com.	6	3.52	..	...	...	...	...	180	170
Do. pref.	7	6.79	..	...	...	...	...	129	125
Standard Chem.	$1	...	25	25	25	29	110	29	25
Sterling Coal	.	...	..	...	...	...	...	19	19
Tooke Bros., com.	.	...	..	...	...	...	...	20	19
Do. pref.	7	10.00	70	70	70	70	258	72	67
Tuckett Tobacco, c.	4	3.96	101	100	101	100	100	101½	98
Do. pref.	7	5.98	117	115	117	116	21	118	114
Woods Mfg., com.	.	...	..	...	...	...	...	x46	39
Do. pref.	7	8.86	..	...	...	...	...	80	77
Stand. Chem., Rts.	.	...	2.50	2.50	2.50	...	110	2.50	2.50
Beverage—									
Brading Brew. (n.p.)	$2	7.14	28	28	28	28	70	32	28
Brew. & Dist. (p. $5)	5	1.55	16	15½	16	16	125	18	15¼
Can. Brew. (no par)	$2	5.88	34½	33½	33¾	35	1360	40	29
C. Ind. Alc. (no par)	$1.52	3.42	42	39½	41	39½	23620	42	31½
Do. "B"		...	39½	37	38	37½	2200	39½	36½
Can. Malting (n.p.)	$1.50	4.05	37¼	35½	37	37	2595	40¾	32¼
Carling Brew. (n.p.)	$2	5.47	37½	35⅝	35¾	36⅜	3540	44	30
Com. Alco. (no par)	$1	2.70	38	37½	37½	37	1280	40	25
Do. pref.	8	...	..	...	...	...	...	x110	103
Cosgrave B. (p. $10)	6	7.05	8¾	8	8½	8¾	960	9¾	8
Chas. Gurd, c. (n.p.)	$2	1.98	102	99	100	99⅞	528	114	93
Do. pref.	7	6.48	..	...	...	...	...	108	106
Hiram Walker (n.p.)	$2	3.32	61⅝	58½	61	59½	11381	69	54
Lake Ont. Br. (n.p.)	$2	10.00	21	20	20	21	102	30	20
Do. Rts.	.	...	1.00	.65	.65	.80	1020	1.50	.50
Nat. Brew., c. (n.p.)	4	3.28	123½	118	122¾	119	12026	123½	112½
Do. pref.	7	5.60	..	...	...	...	...	125	122
Nat. Distilleries	•	...	16	16	16	15	70	20¾	15
Pelissiers	•	...	18	16	17½	17½	3060	18½	13
Seagram (no par)	•	...	21⅛	19	20½	25	515	32¼	19
Do. Rts.	•	...	4.50	4.00	4.00	4.25	5976	4.50	3.50
Do. Receipts	•	...	20	18½	19	19	1862	20	18½
Toronto Brew. (n.p.)	•	...	10½	10	10	10	215	10½	9½
Oil—									
Ajax			55	52	52	48	11200	80	43
Beacon Oil	•	...	14¼	13¼	13¼	13½	120	17½	13¼
Brit. Am. Oil (n.p.)	$1	2.70	37½	35⅛	37	35¼	15110	40½	31¾
Can. Oil, c. (no par)	$1	1.85	55	53⅛	54½	55¼	470	68½	44
Do. pref.	8	6.25	128	128	128	130	4	170	128
Continental Oil	$1	...	..	...	...	...	...	22	17
Foothills Oil	.	...	2.00	1.50	2.00	2.00	410	2.50	1.50
Frontenac Oil	.	...	..	...	...	...	...	34	27¾
Imperial Oil (n.p.)	$1.50	2.54	60	58¾	59½	59	3656	65¼	56
Int. Pete. (no par)	75c	2.00	37¾	36⅜	37	36¾	3605	44	34½
McColl-Fron. (n.p.)	.	...	32¼	30¼	32	30¼	8271	34¼	29⅛
Do. pref.	.	...	..	...	...	...	...	90	85
North Star, c. (p. $5)	.	...	..	...	...	...	...	3.00	2.50
Do. pref. (par $5)	7	...	..	...	...	...	...	6.50	5.00
Petrol Oil	.	...	17⅞	16½	17¼	16¾	12000	21⅞	15
Supertest Pet., c.	50+50c	1.13	..	...	...	...	...	96	70
Do. pref.	7	7.14	98	98	98	99	5	99	97
Venezuel. Pet. (p. $5)	20c	...	..	...	...	...	...	x7½	6½
Volcanic Oil	$1.40+5c	...	..	...	...	...	...	37	29
Vacuum Gas	.	...	7½	7	7½	7	6600	12½	7
Trojan	.	...	2.35	2.00	2.35	...	400	2.35	2.00
Trust and Loan—									
Canada Life	20	...	..	...	...	...	...	1000	990
Can. Permanent	12	4.80	250	250	250	250	17	250	230½
Col. Invest. (p. $10)	.	...	..	...	...	...	...	5	4
Econ. Invest. (p. $50)	4	3.40	..	...	...	...	...	59¾	57
Huron & Erie	8	4.84	167	167	167	165	125	167	152
Landed Banking	10	5.00	..	...	...	...	...	205	200
Mont. Loan (p. $50)	12+1	6.76	..	...	...	...	...	48	48
National Trust	12+1	3.88	340	335	335	340	12	340	305
Ont. Loan (par $50)	12	4.68	..	...	...	...	...	128	128
Real Estate Loan	7	6.36	..	...	...	...	...	111	110
Toronto Gen. Trusts	12	4.00	300	300	300	300	29	300	275
Toronto Mge. (p. $50)	12	4.91	..	...	...	...	...	122	114
Union Trust	7+1	5.51	145	145	145	147	20	150	137
Toronto Gen. Rights	.	...	22	20	20	...	443	22	20

CURB AND UNLISTED MARKETS

	Div. Rate	Yield Mar. 12	High for wk.	Low for wk.	Close Mar. 13	Close Mar. 6	Sales for wk.	Range, 1928 High	Low
Asch. com. (no par)	.	...	..	...	...	...	...	30	24½
Do. pref.	.	...	..	...	...	...	...	93	90
Attendu Eng. (p. $1)	.	...	15½	14½	14¼	16	375	21	12
Belding, com.	6	6.85	87½	87½	87½	88½	10	95	80
Do. pref.	7	7.00	100	99	100	94	17	105	94
Can. Celanese (n.p.)	.	...	63	60	62½	57⅞	541	78	57⅞
Do. pref.	.	...	94	90	93¾	93	195	103½	90
Can. Dredge (n.p.)	.	...	33½	31	33	31¼	500	37	31
Do. pref.	.	...	111	109	111	109	187	115	108
Can. Light & Power	.	...	..	...	...	...	...	49	43
Can. Nor. P., c. (n.p.)	.	...	80	77	80	76	25	80	65
Do. pref.	7	6.73	..	...	...	...	...	105	100
Cockshutt, com.	.	...	..	...	...	...	...	22⅞	21⅞
Do. pref.	.	...	113½	110¼	111	114	1780	143½	105¾
Cooksville Sh. Brick, c.	.	...	..	...	...	...	...	x14	10¾
Do. pref.	4	...	..	...	...	...	...	x55	50½
Dom. Engineering	$2.60	4.33	60¼	59	60¼	60	700	65	52
Hydro Elec.	.	...	55½	50	55½	...	6070	55½	50
Dom. Fdy. & Steel, c.	.	...	..	...	...	...	...	5	5
Do. pref.	.	...	..	...	...	...	...	32	32
Dom. Power, com.	.	...	66	57	57	54	2680	65	54
Do. pref.	7	...	..	...	...	...	...	x102	100
Dryden Paper (n.p.)	.	...	45½	42⅞	44½	45¼	3990	46¼	23
E. Dairies, c. (n.p.)	.	...	52	51½	52	52¾	145	55	51½
Do. pref.	7	6.96	..	...	...	...	...	100½	99
Eng. Elec., c. (n.p.)	.	...	..	...	...	...	...	22	11
Do. pref.	.	...	101	100	101	99	40	112	75
Farm. Dairy, c. (new)	$1	4.76	22	20	21⅞	20	165	27	17
Do. pref.	7	6.66	105	105	105	105	5	110	105
For. Pr. Secs. (n.p.)	.	...	48	44	47	43½	4013	48⅞	38½
Great West Saddlery, c.	.	...	25	23	23	...	5828	25	23
Do. pref.	.	...	99½	99	99	...	640	99½	99
Illinois Power, pref.	7	7.05	..	...	...	...	...	102	99¼
Imp. Tob., c. (par $5)	6+2	...	8⅛	8¼	9	9	7313	10¾	8⅛
Imp. Tob., c. (par $5)	6+2	3.34	39¼	37¼	39	38	407	43¼	37
Do. pref.	7	7.07	99¼	98¼	98¼	99	52	100	97
Kemsley Millburn	.	...	16½	16½	16½	16½	170	17⅝	15⅞
Loew's London, com.	3	...	..	...	...	...	...	5¾	5¾
Man. Power (no par)	$2	1.62	123¼	116	122½	117	1685	123¼	85
Mitchell, J. S.	.	...	42⅜	39½	42⅜	40	575	49¾	38
Do. pref.	7	6.82	..	...	...	...	...	102½	99½
Mount Royal, com.	.	...	..	...	...	...	...	x6	3
Do. pref.	6	...	50	50	50	...	10	50	50
Municipal Ser. (n.p.)	.	...	10	8⅛	10	9	160	15	8
North. Bak. (no par)	.	...	46½	44	46	46	4575	54	40
N.S. Car, c. (n.p.)	.	...	43¾	42¾	43½	42½	645	49	39
Ott. Riv. Pr. (n.p.)	.	...	..	...	...	...	...	38	25
Paton Mfg., c. (n.p.)	.	...	..	...	...	...	...	68	55
Do. pref.	.	...	..	...	...	...	...	103	103
Perfection Glass	.	...	4	3½	3½	4	1275	8¾	3¼
E. L. Ruddy, pref.	7	7.17	..	...	...	...	...	101	97½
Service Stn. Equip.	$1.60	4.00	42	39½	41	41¼	3275	48	35½
St. Maur. Power	4	2.12	..	...	...	...	...	194	170
Simpson, Robt., pref.	6	5.79	..	...	...	...	...	105	102½
St. Law. Pa., c. (n.p.)	.	...	104½	103	103	104	240	110	100
Do. pref.	8	6.37	125½	125	125½	125	40	125½	116
Standard Clay	.	...	33	33	33	34½	40	34½	33
Tamblyn, c. (n.p.)	.	...	24¾	24	24¾	24½	742	24¾	21
Do. pref.	.	...	93½	92	93¼	92¼	754	93½	90
United Secs., com.	.	...	..	...	...	...	...	64½	61
Do. pref.	6	5.74	105	104½	104½	104½	110	105	100
Wolthausen (no par)	.	...	..	...	...	...	...	x25	20

†Arrears.
xQuotations for 1927. No sales recorded in 1928 to date.

Flood Barnes Active Bond Prices

	Price	Rate	Years to Maturity	Next int. Date	Yield %
Abitibi Pwr. & Paper Gen. 6's, due '40	106	6	14	July 2	5.30
Abitibi Pwr. & Paper, 6% notes, due '31	102	6	3	Mar. 15	5.25
Agric. Mtge. Bk. of Colombia Gtd. S.F. 7s, due '47	99¾	7	19	July 15	7.02
Argentine Govt. 6's, Series "B", due '58	100½	6	30	June 1	5.95
Asbestos Corp., 1st Ref., S.F. 6's, due '41	103½	6	13	July 1	5.59
Asbestos Corp. Gen. Mtge. S.F. 6's, due '56	99¾	6	28	July 1	6.02
Bell Tel. of Can. 1st 5's, Series "B", due '57	105½	5	29	June 1	4.65
Buenos Ayres Province, Ext. S.F. 7's, due '58	100½	7	30	May 1	6.95
Brompton Pulp & Paper, 1st & ref. SF 6's, due '46	103¾	6	18	Mar. 1	5.66
Brazil, United States, Ext. S.F. 6½'s, due '57	98½	6½	29	Apr. 1	6.61
Canada Cement, 1st Mtge. S.F. 5½'s, due '47	103½	5½	19	May 1	5.26
Can. Nor. Power Coll. Trust 6½'s, due '41	103¾	6½	13	May 1	6.10
Can. Light & Pwr., 1st 5's, due '49	96¼	5	21	July 1	5.30
Canada Paper, 1st S.F. 6's, due 1945	103¾	6	17	June 4	5.65
Can. S. S. Lines, 6's 1st & gen., Series A, '41	103¾	6	13	Apr. 15	5.69
Can. S. S. Lines Consol. 5's, due '43	102¾	5	15	Aug. 15	5.00
C. P. Rly Coll. Trust 5's, due '34	102	5	6	Aug. 15	4.60
C. P. Rly. Secured 4½% notes, due '44	100	4½	16	June 15	4.50
Can. Goodrich Income 7's, due '43	60	7	15		
Chile Republic Ext. S.F. 6's, due '60	95	6	32	Apr. 1	6.36
Chile Republic Ext. S.F. 6's, due '61	95	6	33	Aug. 1	6.36
Dom. Iron & Steel 1st 5's, due '29	98½	5	1	July 1	
Dom. Iron & Steel Consol. S. F. 5's, due '39 (£)	72	5	11	Sept. 1	
Donnacona Paper Co. 1st S.F. 5½'s, due '48	100	5½	20	Aug. 1	5.50
Duke Price Power S.F. 6's, Series "A", due '66	106¾	6	32	May 1	5.55
Fraser Companies Debentures 6½'s, due '42	107¾	6½	14	Apr. 1	5.70
French Line Ext. S.F. 6½'s, due '52	102	6½	28	Aug. 15	6.33
French National Mail S.S. Ext. S.F. 6's, due '52	98¾	6	24	May 1	6.10
General Steel Wares 1st mtge. S.F. 6's due '52	103	6	24	May 1	5.77
Gatineau Power, 1st 5's, due '56	101	5	28	June 1	4.93
Gatineau Power S.F. Debs. 6's, due '41	103¾	6	13	June 15	5.59
Hydro-Elec. B'd & Sh. Corp. Coll. Trust 5's, due '57	99	5	29	May 1	5.07
International Paper Ref. SF 6's, Series A, due '55	104½	6	27	Sept. 1	5.68
Manitoba Power 1st S.F. 5½'s, due '51	104½	5½	23	July 1	5.15
Mtl. Coke & Mfg. 1st 5½'s, Series A, due '47	103	5½	19	June 1	5.23
Mtl. L.H.&P. 1st Ref. & Coll. Trust, 5's, Series A, due '51	103½	5	23	Apr. 1	4.75
Mtl Tram. 1st Coll. Trust 5s, Series A, due '41	102½	5	12	July 1	4.74
Mtl. Tram. Gen. & Ref. SF 5's, Series A, due '55	101½	5	27	Apr. 1	4.90
New South Wales Ext. S.F. 5's, due '58	95½	5	30	Apr. 1	5.30
Nor. Ont. Lt. & Pwr. 1st, S.F. 6's, due '46	105	6	18	July 1	5.55
Nova Scotia Coal & Steel 1st S.F. 5's, due '59	76	5	31	July 1	
Northwestern Utilities, 1st S.F. 7's, due '38	104	7	10	June 1	6.45
Port Alfred Pulp & Paper 1st S.F. 5½'s, due '57	100½	5½	29	May 1	5.45
Price Bros. 1st S.F. 6's, Series A, due '43	106¾	6	15	Aug. 1	5.35
St. Maurice Power 1st S.F. 6½'s, due '53	107½	6½	25	Aug. 1	Called
St. Law. Paper 1st S.F. 6's, Series A, due '46	104	6	18	Sept. 1	5.65
St. Law. Paper S.F. 6½'s, due '36	102½	6½	8	July 2	6.10
Southern Can. Pwr. 1st 5's, Series A, due '55	103	5	27	Apr. 1	4.80
Shawinigan Water & Pr. Co., 1st SF 4½s, due '67	98	4½	39	Apr. 1	4.60
United Securities Coll. Trust S. F. 5½'s, Series A, due '52	103¾	5½	24	May 1	5.23
Wayagamac Pulp & Paper 1st S.F. 6's, due '51	104½	6	23	July 1	5.65
Winnipeg, Electric Ref. 6's, due '54	105½	6	26	Apr. 2	5.60

Incorporate Here to Save Tax

Purpose of the recent incorporation of Canadian Eagle Oil Company was to reduce the company's income tax. Heavy taxes now paid in Mexico will be avoided under the Canadian incorporation.

The Mexican Eagle Oil Company, which has effected the incorporation, will continue to pay income tax on earnings from its Mexican subsidiaries but has segregated in the Canadian company all non-Mexican assets.

Unlisted Stocks

These prices are mostly as at March 13, and while obtained from reliable sources, cannot be guaranteed.

Industrial Stocks

	Bid	Asked
A. W. Chase, com.	$ 2.00	$ 5.00
A. W. Chase, pref.	50.00	60.00
Border Cities, pfd. bonus, c.	....	40.00
Brandram Henderson, com.	22.00	24.00
Brandram Henderson, pref.	84.00	88.00
Brantford Roofing	97.00	....
Canada Machinery, com.	6.00	8.00
Canada Machinery, pref.	26.00	30.00
Can. Paperboard, pref.	....	94.00
Canadian Westinghouse	225.00	240.00
Caulfields Dairy, com.	....	37.00
Copeland Flour Mills, pref.	20.00	24.00
Dom. Alloy, pf. bonus com.	1.00	3.00
Dom. Foundries & Steel c.	5.00	....
Dom. Foundries & Steel, pf.	37.00	....
Dom. Linens, pref.	16.50	....
Dom. Manufacturers, com.	7.00	....
Dom. Manufacturers, pref.	70.00	....
Dom. Power, com.	64.50	65.00
Dom. Power, pref.	105.00	....
Dom. Sewer Pipe, com.	65.00	....
Dom. Sugar, com.	24.00	....
Dom. Sugar, pref.	94.00	....
Dunlop Tire, pref.	103.00	....
Durant of Canada	4.00	5.00
Gillett, E. W.	75.00	....
Goodyear Cotton, 7% pref.	101.00	103.50
Gosse Packing, com.	....	36.00
Gosse Packing, pref.	....	78.00
Greening Wire, pref.	97.00	99.00
Guardian Realty, pref.	60.00	65.00
Huethers Brewing, pref.	....	4.00
King Edward Hotel "A"	83.00	85.00
King Edward Hotel "B"	76.00	79.00
Kingston Ship-Building, pf.	18.00	....
Loew's Buffalo, pref.	26.00	33.00
Loew's London, com.	4.00	5.00
Loew's London, pref.	7.00	8.00
Loew's Mansfield, pref.	85.00	....
Milton Brick Co.	17.50	....
Palace Thea. (Mont.) pfd.	85.00	....
Pure Food, com.	28.00	32.00
Simpson, Robt., pref.	103.50	....
Traymore, pref.	19.00	22.00

Insurance

British America	45	..
Canadian Fire, full pd.	120	135
Canada Life	985	1025
Canada National	20	..
Casualty of Canada, full pd.	190	200
Capital Life, 20% pd.	26	..
Confederation Life, 10% pd.	97	..
Continental Life, 10% pd.	80	..
Crown Life, full paid	335	..
Dom. of Can. Guar. & Ac.	350	..
Dominion Fire	125	..
Dominion Life, 50% pd.	450	..
Excelsior Life, 30% pd.	115	..
Federal Fire, 25% paid	42	..
Fidelity of Canada, full paid	145	155
Great West, full paid	540	560
Imperial Life, 85% paid	435	..
Manufacturers Life, 55% pd.	425	475
Monarch Life, 10% paid	48	52
Montreal Life, 20% paid	75	80
National Life, 25% paid	70	74
Ontario Equitable, 10% paid	37	40
Security Life, 45% paid	20	..
Security Life, 50% paid	20	..
Sun Life, 75% paid	1925	1975
Toronto Casualty	..	26
Western Assurance	72	..

Mortgage, Loan, Etc.

	Bid	Asked
British Mortgage & Trust	$208.50	$ ....
Capital Trust	73.00	....
Chartered Trust	99.00	105.00
Commercial Finance, com.	25.00	....
Commercial Finance, pfd.	78.00	84.00
Crown Trust	125.00	....
Debentures & Sec., com.	73.00	....
Debentures & Sec., pref.	73.00	....
Lambton Loan & Savings	79.00	....
London Loan & Savings	46.00	50.00
London & West Trusts	150.00	....
Mfg. Fin., pfd. bonus c.	6.00	7.00
Midland Loan & Savings	16.50	....
Mortgage Discount, pref.	6.75	7.75
Mortgage Discount, com.	.40	.80
Mutual Finance, com.	7.00	8.00
Mutual Finance, pref.	7.00	8.50
Peoples Loan & Savings	80.00	85.00
Saskatchewan Mortgage	39.50	....
Sterling Trust Co.	98.50	....
Toronto Finance, pref.	....	3.50
Waterloo Trust & Savings	115.00	....

Club Shares

	Bid	Asked
Bayview Golf	$ 25.00	$ 40.00
Lakeview Golf	45.00	70.00
Lambton Golf	440.00	485.00
Mississauga Golf	20.00	30.00
Rosedale Golf	150.00	....
Summit Golf	25.00	45.00
Thistledown Golf	....	65.00
Thornhill Golf	70.00	95.00
Toronto Winter Club	....	60.00
Weston Golf	80.00	100.00
York Downs Golf	200.00	250.00

Recent London Quotations

	Sales
Calgary Power	109
Hudson's Bay	98s.
Hudson's Bay, 5% pref.	100s.
Can. West Lumber	7s. 6d.
Standard Chemical, 7%	22½
Dominion Tar	45s.
Mond Nickel	130s.
Lake Superior	9

Recent Vancouver Quotations

B. C. Telephone pfd., new	106b.
Pacific Coyle, com.	10½b.
Gosse Packing, pref.	80a.

Recent Winnipeg Quotations

	Bid	Asked
Beaver Fire Co.	120	..
Can. Fire Ins. Co.	103	..
Home Inv. and S. Assn.	75	80
N. Mtge., fully paid	80	
N. Mtge. 50% paid	25	25
Northern Trusts Co.	52	52
Standard Trusts Co.	33	35
No. Star Oil, com.	2.75	..
No. Star Oil Co., pref	5.40	5.45

Unlisted Bonds

	Bid	Asked
Abitibi Fibre 6s, 1947	[illegible]	102
Abitibi P. & P. 6s, 1940	[illegible]	100
Algoma Steel, 5s, 1962	[illegible]	58
Alberta Pac. Grain, 6s, 19[illegible]	[illegible]	102½
Bell Telephone, 5s, 1955	105	105½
Belgo Can. Paper, 6s, 1943	103	..
Brandram Henderson, 6s, 19[illegible]	[illegible]	..
B. C. Pulp and Paper, 6s, [illegible]	[illegible]	[illegible]
Burns, P. & Co., 6½s, 1943	[illegible]	..
Calgary Brewery, 5s, 1942	[illegible]	[illegible]
Calgary Power, 5s, 1940	[illegible]	95½
Canada Biscuit, 6½s, 1946	[illegible]	101
Canada Lt. & Pr., 5s, 1949	[illegible]	96¼
Can. Nor. Power, 6s, 1941	[illegible]	102½
Can. Paperboard, 7s, 1937	98½	100
Can. Steamships, 5s, 1943	102	103
Can. Steamships, 6s, 1941	102½	103¼
Davies, Wm., 6s, 1942	96	98
Dominion Iron, 5s, 1939	69	73
Drummond Invest., 6½s, 1938	98	100¼
Duke Price, 6s, 1966	105¾	106⅛
East Kootenay Pr. 6s, 1966	104¼	105½
Elec. Development 5s, 1933	101	102
Famous Players, 6½s, 1943	103¼	105
Fraser Cos., 6s, 1950	104	105½
Gatineau Power, 5s, 1956	100	100¼
Gatineau Power 6s, 1941	102¼	103¼
Howard Smith P. & P. 6s, 1941	104½	105½
King Edward Hotel, 7s, 1944	96	100
Lake Superior P. & P. 6s, 1941	106½	108
Laurentian Pr. 6s, 1936	110	..
Laurentide Pr. 5½s, 1946	104	106
Manitoba Pr. 5½s, 1951	103	104¼
Mont. L. H. & Pr. 5s, 1951	102½	103¼
Mont. Pub. Service, 5s, 1942	101	101¾
Nor. Ont. L. & P. 6s, 1946	104	105
Nor. West Utilities 7s, 1938	102	104
Nova Scotia Steel, 5s, 1959	72	75
Nova Scotia 6% Debs.	41	45
Nova Scotia Tram. 5s, 1946	99½	101
Nova Scotia Tram. 7s, 1952	104	106
Ont. Pulp & Paper, 6s, 1948	108¾	110
Ottawa Hull Pr. 6s, 1948	104	105
Ottawa L. H. & P. 6s, 1953	105	106
Ottawa Mont. Pr. 6½s, 1949	104¾	105¼
Ottawa Trac. 5½s, 1955	102¾	103½
Ottawa River Pr. 6½s, 1953	104¼	105¼
Port Alfred P. & P. 5½s, 1957	99	100
Price Bros., 6s, 1943	105¾	106¾
Prov. Lt. Pr. 5s, 1946	101¾	103
Rio Tramways, 5s, 1935	98	98⅝
Sao Paulo Tram. 5s, 1929	99¼	99⅝
St. Lawrence Paper, 6s, 1946	102	103
St. Maurice Valley, 5½s, 1957	99	100
St. Maurice Pr., 6½s, 1953	106½	108
Shawinigan W. & P. 4½s, 1967	97	97¾
Simpson's, Ltd., 6½s, 1945	104¼	104½
Southern Can. Pr., 5s, 1955	101¼	102
Spanish River P. & P., 8s, 1941	105¾	106½
West Kootenay Pr. 6s, 1943	104	104¾

NEW YORK CURB

	Close Feb. 29	Close Mar. 7	Close Mar. 14
Bunker Hill	144 1-2	150 1-2	154 3-4
Can. Marconi	3 5-8	3 5-8	6
Dom. Stores	117 1-2	117 1-2	114
Fanny Farmer	..	35	38
Ford Canada	515	580	570
Imp. Oil Can.	59 5-8	57	59
Inter. Petrol.	37 3-8	36 7-8	37
Int. Util. "A"	45 1-8	45 1-8	[illegible]
Do. "B"	[illegible]	[illegible]	[illegible]
Nipissing	[illegible]	[illegible]	[illegible]
Noranda	[illegible]	[illegible]	[illegible]
Premier Gold	2 11-16	2 7-8	2 3-4

Stock Market

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of March 14	104.9	103.3
Week of March 7	105.6	103.7
Month of March, 1927	84.3	80.2
9 Bank Stocks		
Week of March 14	$290	$286
Week of March 7	290	287
Month of March, 1927	241	238
10 Public Utilities		
Week of March 14	$114	$112
Week of March 7	113	110
Month of March, 1927	96	89

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	1	7	1	9
Paper	6	10	4	20
Steel	16	8	18	42
Foodstuffs	17	14	26	57
Utilities	8	7	15	30
Tractions	7	2	7	16
Textiles	7	5	7	19
Industrials	28	24	49	101
Total	90	77	127	294

Public Utility Earnings

WINNIPEG ELECTRIC

January	1928
Gross earn.	$558,883
Net revenue	191,442
Fiscal chgs., etc.	96,218
Net income	95,223

JAMAICA PUBLIC SERVICE

January	1928	1927
Gross earnings	$63,844	$63,620
Net earnings	29,220	29,900
Surplus aft. charges	23,863	23,747
12 months end. Jan. 31—		
Gross earnings	694,384	658,934
Net earnings	284,312	262,563
Surplus aft. charges	211,741	188,051

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CALGARY OIL STOCKS

Calgary oil stocks closed on March 1 Alta. Pac., 38; Dalhousie, 2.97; United, 1.1 Royalite, 46; Ill.-Alta., 53; McD.-Segur Exp., $1.25; McD.-Segur N., 85; McLeod, 3.60; Vulcan, 3.05.

Bond Movements of the Week

Week Ending March 13

Bonds	Int. Rate	Due	Yield	Range 1927 High	Low	Range 1928 High	Low	Ask	Latest Price Bid	High	Low
Asbestos, gen. mge.	6	1956	6.07	98	88	99½	97½	99	98½	99	98⅛
Can. Car	6	1939	5.26	102	100	106½	106½	...	106½	106½	...
Can. P. & P. deb.	5	1958	5.20	..	...	96¾	96	...	...	96¾	96
Can. Rubber	6	1946	5.73	103¾	102½	103¾	103	...	104	103	...
Can. S.S. Debs.	5	1943	4.77	99⅛	97½	102½	...	...	101	102¼	...
Montreal Tram. A.	5	1955	4.96	100	94¼	102	99¾	101	100½	100½	100⅛
Do., 1st mtge.	5	1941	4.78	101	96⅝	103¼	101	102¼	101¼	102⅜	101
Quebec Rly.	5	1939	4.48	101½	96	104¾	101	...	101⅜	104⅜	...
Wayagamack	6	1951	5.65	103½	97	104½	103	104½	104¼	104½	...
West Koot. Pr.	6	1943	5.34	105	104¼	107	...	...	...	107	...
War Loan	5	1931	4.31	102.70	101.10	102.85	102.10	102.60	102.35	...	...
Do.	5	1937	4.20	106.75	102.95	106.70	105.35	106.50	106.25	106.15	106.10
Victory Loan	5½	1933	4.40	106.55	103.35	106.50	105.20	105.75	105.55	105.70	105.45
Do.	5½	1934	4.56	105.55	102.80	105.85	104.80	105.35	105.15	105.65	105.15
Do.	5½	1937	4.20	111.15	106.85	110.95	109.75	110.60	110.20	110.50	110.05
Do., Refund	5	1928	5.00	101.50	99.75	100.60	100.00	100.50	100.25	100.30	100.25
Do.	4½	1940	4.30	103.40	96.50	102.90	102.00	102.55	102.25	102.55	102.00
Do.	5	1943	4.45	106.40	102.30	106.10	105.05	106.00	105.75	106.00	105.55
Do.	4½	1944	4.30	103.00	96.90	103.05	102.40	102.90	102.70	...	...
Do.	4½	1946	4.26	102.70	96.70	103.15	102.55	103.10	102.75	102.96	102.55
Do., Renewal	5½	1932	4.55	104.10	101.85	105.85	103.55	104.25	104.00	105.85	103.90

Canadian Locomotive Company, LIMITED

SIXTEENTH ANNUAL REPORT

Balance Sheet at the 31st December, 1927

ASSETS

Fixed Assets—			
Land, Buildings and Equipment as valued by the Canadian Appraisal Company, Limited, at the 30th June, 1924, together with net additions to the 31st December, 1926		$3,803,136.57	
Net additions during year		150,942.60	
		$3,954,079.17	
Goodwill		1,000,000.00	
			$4,954,079.17
Sinking Fund Investment Account—			
$267,500.00 Company's First Mortgage Bonds purchased and held by Trustees—Cost		258,389.15	
Cash in hands of Trustees, including January, 1928 Coupons and portion of Cash paid to Trustees during January, 1928		15,814.14	
			274,203.29
Investments—			
1933 Dominion of Canada Victory Bonds at cost	$513,187.50		
Less: Amortization of Bond Premium to date	10,252.50		
		502,935.00	
Other Dominion of Canada Bonds at par		350,000.00	
Canadian National Railway Equipment Bonds—Series "G" at par		216,000.00	
		$1,068,935.00	
Add: Accrued Interest thereon to date		12,935.75	
			1,081,870.75
Current Assets—			
Inventories of Work in Process and Material and Supplies valued at or below cost, as certified by officials of the Company		168,070.97	
Trade and Miscellaneous Accounts Receivable—less reserve		130,030.32	
Cash in Banks and on Hand		16,396.13	
			314,497.42
Deferred Charges to Future Operations			21,304.61
			$6,645,955.24

CAPITAL AND LIABILITIES

Capital Stock—			
Authorized: 35,000 shares at $100.00 each	$3,500,000.00		
Issued: 15,000 7% Cumulative Preference Shares, fully paid		$1,500,000.00	
20,000 Ordinary Shares, fully paid		2,000,000.00	
			$3,500,000.00
First Mortgage 6% Forty Year Gold Sinking Fund Bonds due the 1st July, 1951—			
Authorized	2,000,000.00		
Whereof Issued			1,500,000.00
Current Liabilities—			
Bank Loans		275,000.00	
Trade Accounts Payable, Wages and Other Miscellaneous Balances		88,305.07	
Bond Interest Accrued, Coupon No. 33 (Paid the 4th January, 1928)		45,000.00	
Dividend No. 64 on Preference Shares for the three months to date (Paid the 4th January, 1928)		26,250.00	
			434,555.07
Reserves—			
General Depreciation		300,000.00	
Sinking Fund		274,203.29	
			574,203.29
Profit and Loss Account—			
Balance at credit thereof, per Statement II			637,196.88
			$6,645,955.24

WM. HARTY, Jr., Director.
WM. CASEY, Director.

AUDITORS' REPORT AND CERTIFICATE

To the Shareholders, Canadian Locomotive Company, Limited, Kingston, Ont.:

We have examined the books and accounts of the Canadian Locomotive Company, Limited, for the year ended the 31st December, 1927, and in accordance with Section 114 of the Companies' Act (Dominion) we report that we have obtained all the information and explanations we have required, and that, in our opinion, the attached Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs at the 31st December, 1927, according to the best of our information and the explanations given to us and as shown by the books of the Company.

Dated at Toronto, Ont.,
13th February, 1928.

GEORGE A. TOUCHE & CO.,
Chartered Accountants,
Auditors.

PROFIT AND LOSS ACCOUNT

For the Year Ended the 31st December, 1927.

NET PROFIT for the year ended the 31st December, 1927, before providing for depreciation and other items as shown below		$263,741.34
Add:		
Interest received on Investments—less Amortization of Bond Premium		52,697.50
		316,438.84
Deduct:		
Bond Interest	$ 90,000.00	
Provision for Depreciation	100,000.00	
		190,000.00
		126,438.84
Balance at Credit—1st January, 1927		630,758.04
		757,196.88
Balance appropriated as under:		
Sinking Fund Provision	15,000.00	
Preferred Dividends	105,000.00	
		120,000.00
Balance at Credit, transferred to Statement I		$637,196.88

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Trustee in Bankruptcy Proceedings
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Electrical Construction on Power Generating Plants, Substations and Distribution Lines.
Canadian Comstock Company Ltd.
Montreal Toronto

Foreign Exchange

NEW YORK FUNDS

	High (Premium)	Low	Close	Last year
Mar. 8	[illegible]	[illegible]	[illegible]	[illegible]
Mar. 9	[illegible]	[illegible]	[illegible]	[illegible]
Mar. 10	[illegible]	[illegible]	[illegible]	[illegible]
Mar. 12	[illegible]	[illegible]	[illegible]	[illegible]
Mar. 13	[illegible]	[illegible]	[illegible]	[illegible]
Mar. 14	[illegible]	[illegible]	[illegible]	[illegible]

STERLING, FRANCS AND LIRE

	Sterling	Francs	Lire Close
Mar. 8	[illegible]	[illegible]	[illegible]
Mar. 9	[illegible]	[illegible]	[illegible]
Mar. 10	[illegible]	[illegible]	[illegible]
Mar. 12	[illegible]	[illegible]	[illegible]
Mar. 13	[illegible]	[illegible]	[illegible]
Mar. 14	[illegible]	[illegible]	[illegible]

FOREIGN EXCHANGE

Par		Mar. 7	Mar. 14
[illegible]	Italian	[illegible]	[illegible]
[illegible]	German	[illegible]	[illegible]
[illegible]	Belgium	[illegible]	[illegible]
[illegible]	Japan	[illegible]	[illegible]

Noranda and Dome Issue Annual Reports for 1927

CANADIAN MINING NEWS

Regular Weekly Department of The Financial Post

Pend Oreille Assays Show Fabulous Values at Mine

TELLURIDE ORE EXCEEDS MINE COSTS

Meets Encouraging Results in Current Exploratory Work

SINKING 500-FT. SHAFT

Already Down to 225 Feet and Continue at Six Feet Each Day

Development work at the Telluride Mine, Boston Creek, has disclosed proven and commercial ore exceeding the amount of money expended in exploratory work, an official of the company has informed The Financial Post.

Good progress has been made by Telluride during the past year. Twelve months ago operations were being carried out by hand, but the property is now equipped with a mining plant that will permit mining operations being carried to a depth of 1,000 feet. Complete camp buildings have been erected including a power house, shaft house, machine shop, cookery, bunk-house, store house and residence for the mining engineer. It is proposed to build several dwellings this spring to house the families of a number of the employees.

Drive Shaft to 500 Feet

Telluride is now concentrating all its efforts in shaft sinking. The objective is 500 feet, and the shaft is down to a depth of approximately 225 feet and being put down at the rate of six feet a day. It is anticipated the present shaft-sinking program will be completed about May 1st.

When lateral work was discontinued at the second level, both No. 2 and No. 3 drift were in excellent ore. Sampling of No. 2 drift over the last 60 feet gave the following results at approximately 5-foot intervals — $45.46, $28.16, $43.40, $51.20, $24.10, $25.20, $26.88, $10.24, $15.24, $9.40, $32.12, $19.36, $24.90. While No. 3 drift gave $7.00, $8.40, $7.60, $9.80, with additional copper values of between 3 and 4 per cent..

The first level to be developed was the 150, here some 300 ft. of lateral work was carried out resulting in the opening up of an excellent shoot of ore on the No. 1 drift. This ore was encountered after cutting a 20 ft. intrusion of lamprophyre. The vein is a contact vein between keewatin and red and grey feldspar porphyry. The shoot has been opened up for about 100 feet and is still in ore.

The ore is reported to be of good commercial grade for the entire length it has been opened up. As the lamprophyre intrusion has a dip of about 55 degrees to the southwest, it is anticipated that when encountered on the next level it will be approximately in line with the shaft.

Shows Commercial Ore

No. 2 drift on the 150 level was carried 50 ft. to the southwest and there turned in a southeasterly direction, and at a point of about 100 ft. from the shaft cut a vein that has been drifted on for a distance of 40 ft. to the southwest. The vein is reported to show good commercial ore for the full width of the drift.

Sufficient ore has been proven at the 150 ft. level to justify the sinking of the shaft to a depth of 500 ft. and this work is being carried out by three shifts of 35 men under the direction of Bert Asheley, M.E., engineer-in-charge, with P. J. Doyle as mine captain.

Telluride officials are very optimistic in regard to the future of the property, as in addition to the encouraging results obtained in underground work, they report that exploratory work on surface has revealed upwards of 100 veins on different parts of the company's 480 acres.

Two sheared zones that traverse the property from northeast to southwest some three-eighths of a mile apart are considered particularly promising. The zones show widths of from 12 to 30 ft., and the ore is totally dissimilar to that which the main shaft has been sunk on. The latter carries a high percentage of copper while that in the sheared zone carries no copper but gives very promising values in gold, and in several of the places gold can be seen in the quartz. These shears will be developed this spring and much is expected of them.

This section of the property is interesting from a geological standpoint as the rock formation lying between the sheared zone is similar to that of Kirkland Lake inasmuch as the keewatin, (andesite), has been intruded by porphyrys, syenite, lamprophyre, and diabase, and the east and west veins between the shears, are greatly faulted and brecciated and several mud seams, in some places 5 and 6 inches wide can be seen in the underground work.

San Antonio Cuts Vein at 530 Ft.

San Antonio Mines has cut a new vein on the 530 foot level. According to reports received from the property it looks promising. Shaft sinking is well in hand and it is expected that the 600 foot level will be reached shortly. A cross-cut will then be run to the main vein.

RITCHIE MINES ENCOUNTER RICH ORE AT 25 FEET

Average Values of $29 Across Five-foot Vein Are Reported

Average values of $29 across a five foot width of the vein have been encountered at a depth of 25 feet, in shaft sinking at the Ritchie Mines, Eastern Kirkland Lake. Word to that effect has just been received from J. J. Byrne, mine manager.

The shaft was sunk on the vein, and values obtained all the way down. At 25 feet there is some free gold in evidence as well as heavy mineralization consisting of chalcopyrite, molybdenite and iron pyrite.

The vein is taking a considerable dip toward the main contact and it is thought will encounter the No. 2 vein at a depth of 450 feet.

No. 1 vein has been opened up for a distance of 720 feet and neither end has been reached yet. The vein lies in the sediments along a narrow intrusion of porphyry and about 100 feet north of the actual contact with the sediments and granite porphyry.

Opens Up Vein

Number two vein which lies in the contact as well has been opened up by cross trenches and pits. Values of from $5 to $6 have been obtained across a width of 8 feet. The vein shows considerable quartz in the contact.

A contract has been let for diamond drilling and it is proposed to drill a number of holes along the main contact, to cut the contact and No. 1 vein at a depth of 500 feet. Holes will also be put down on the south end of the property to pick up the continuation of the Perry vein, and on the north, to pick up the extension of the Murphy vein.

From information obtained from diamond drilling, the location of central shaft which is to be one of three compartments, will be determined.

LAVAL HAS $150,000 CASH IN TREASURY

Company Will Concentrate on Its Sudbury Holdings

Laval-Quebec Mines closed its fiscal year on December 31, 1927, with $151,000 cash assets, and 1,000,000 shares in its treasury, according to the annual statement submitted at the recent annual meeting.

J. A. Naud, managing director, in his report states that the company's operations will now be concentrated on the holdings it has recently acquired in the Serpent River Basin area, Sudbury district. The company has definitely withdrawn from Desmeloizes Township, Que., where its efforts to locate commercial ore proved unsuccessful. It has not definitely abandoned its Montbray Township holdings, but no work will be carried out there at the present. It is believed that better transportation facilities will be available within a reasonable time, which will permit the resumption of operations at a smaller cost.

The balance sheet, as at December 31, 1927, shows cash assets of $151,061, as against $140,272 for the previous year. The increase is due to $12,000 interest earned on investments, and the sale of over 700,000 shares of stock. Stock in the treasury now amounts to 1,040,000 shares. Buildings and equipment are valued at $24,953, an increase over the 1926 figures of $15,513. Expenses for development and head office expenses total $212,953 as against the previous year's figures of $64,655.

Abana Has Ore at Depth

Latter developments on the Abana property are said to indicate that the ore will go to greater depths than was first thought. In drifting on the 300-ft. level to the southeast, a diabase dyke was encountered, crossing the ore body at right angles. Diamond drilling 1,600 feet away has indicated the extension of the ore zone to the southeast.

Clericy to Drill Sudbury Claims

Clericy Consolidated is planning to diamond drill its Sudbury holdings at an early date. Two zones of mineralization are reported to have been located on the property, one in the north section is said to be in line with the general fault, and the mineralization to be characteristic of the proven ore bodies of the camp, lead, zinc and copper in a quartz carbonite formation.

Kirkland Eastern Now Drilling

Kirkland Eastern Gold Mines is now engaged in diamond drilling. The first hole was put down through the ice on Gull Lake to ascertain the formation and is now down to a depth of below 140 feet.

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DOME REPORTS BETTER EARNINGS FOR PAST YEAR

Average Yield Per Ton of $7.42 Obtained on Milled Ore

Dome Mines annual report for the year 1927 should prove a matter of satisfaction for shareholders.

Net income for the year amounted to $1,960,584, an increase of $175,750 over 1926. The next excess of current assets over current liabilities, (including dividend payable Jan., 1928, of $238,333), was $4,208,256. This includes $2,350,573 set apart as a dividend assurance fund.

The tonnage milled was 543,300, which yielded bullion worth $4,031,744, the average yield per ton being $7.42, as compared with $7.09 in 1926.

General Manager H. P. DePencier, in submitting his report, states that important additions to the ore reserves were made in the vicinity of working stopes. He estimates that the ore partially opened up in the greenstone from the 8th to the 12th levels, together with additional ore found in the course of stoping in the old stopes, will equal the ore milled from the stopes during the year, as far as tonnage is concerned, although the gold content will be lower. Broken ore in the stopes now stands at 500,000 tons.

Many Properties Examined

A number of properties were examined during the year, and some diamond drilling done on one in the Sudbury district, and another in the Michipicoten area, but the results obtained did not warrant further work.

Dome hoisted 629,580 tons during the year, of which 86,280 was waste. The tonnage milled, 543,300 tons, was some 12,400 tons short of 1926, due to a hoisting accident.

Millheads averaged $7.7117 per ton, as compared with $7.2846 the previous year.

No New Ore Bodies

No intimation is given in the report of the possibility of locating new ore bodies at depth such as Dome is reported to have encountered in latter development work. The report states that No. 5 winze was sunk to a point 61 feet below the 23rd level horizon, and a station cut at the 23rd level, 3,075 feet below the collar of No. 3 shaft. The winze entered porphyry 25 feet below the 18th level, and continued in porphyry to the bottom.

Diamond drilling on the 23rd level determined this mass of porphyry to be approximately 1,200 feet thick on the horizontal and to occupy the whole area beneath the sediments in which the Dome ore bodies occur on the 17th and 18th levels above. No ore was found in the porphyry on the 23rd level and diamond drilling in the greenstones failed to locate ore.

CALGARY 'CHANGE SEATS FIND DEMAND AT HIGHER LEVELS

Two New Turner Valley Wells in Interesting Position

From Our Own Correspondent

CALGARY.—The Spooner well and Dalhousie No. 1, which many here aver are the "best bets" at the present time in Turner Valley field are still "frozen in. This is caused by the tremendous gas pressure and can only be righted when nature asserts itself. Before operations were temporarily halted at the first mentioned well, Mr. Spooner stated that for two minutes the escape of gas was at the rate of something like thirty million feet a day. It shot the ponderous drill 4.950 feet from the bottom of the hole just as if it were a feather. In its upward flight it became jammed in the casing and the "freezing in" process then commenced. Dalhousie No. 1 had a flow of approximately eight million feet when the tools were lost.

The performance of these two wells is considered by those who have carefully watched developments in the Turner Valley for many years to be on a par, at least, with Royalite No. 4, admitted to be the most wonderful well on the North American continent.

Solloway Mills Buy Seat

Seats on the Calgary Stock Exchange are rapidly appreciating in value. Solloway Mills and Company, of Toronto, have just paid the record price of $1,000. Two months ago a broker sold his seat for $50, and kicked himself because a couple of days later another broker sold his for $100. Then the price jumped to $200, and from that to $1,000 mark. Members of the Exchange here forecast that something similar to what took place on the Vancouver Stock Exchange will be repeated here. A year ago seats were selling on the latter Exchange at $600. Today there is some hesitancy in accepting $15,000.

The Regal Oil Company, of Calgary, has just made an application to the provincial department of public works for the construction of another pipe line from the Turner Valley to its plant practically within the city limits here. If this is granted it will make the fourth oil or gas pump line from the Turner Valley field to Calgary.

The Regal Company is making considerable progress. Although its gas at the present time has an abominable odor it has wonderful pep. No doubt as time goes on effective steps will be taken to eliminate its objectionable feature. In the meantime the gas finds a ready sale.

Trail Smelter Receipts

The Consolidated Mining and Smelting ore receipts at Trail Smelter, from February 22, to February 29, 1928, inclusive, and from January 1, 1928, to date, in tons, as follows:

Company's mines	12,066	91,795
Other mines	2,239	19,144
	14,305	110,939

Woman, Narrow Lakes Promise Active Year

Jackson-Manion Rushes Permanent Buildings to Completion—Other Properties Are Busy

The Woman Lake and Narrow Lake Camp, Patricia district, will be the scene of considerable mining development this coming Summer. Jackson-Manion is rushing the construction of permanent buildings to house the increased staff of workmen development plans call for. A large amount of surface work, stripping, trenching and sinking of test pits has already been carried out on the property where some eighty men are employed at the present time. Mint-Ore Mine, Rand Ore, Confederated Gold Mines, Woman Lake Gold Fields Development Co., Henry Mines, Akanda, and many other operating companies and prospects, have staked or acquired properties over a wide area in this district. Engineers who have returned from the field report that this camp is destined to be one of the busiest in all Canada and boosters of the locality contend that in time it will rival the gold production of Porcupine or Kirkland Lake.

The Rand-Ore properties consist of three large blocks, the most northerly of which ties on to the Dunkin mines on the east. It is reported that the extensions of the Dunkin veins have been picked up on this property. Some exceptionally high values in gold are reported to have been obtained from grab samples taken from the trenches and test pits. This property was explored during the past year and it is proposed to concentrate the company's efforts on it during the present year. Rand-Ore owns an additional holding of nine claims adjacent to the Jackson-Manion and Mint-Ore properties. Assays taken from this group have shown commercial ore. A crew of ten men, in charge of William Mogridge is now employed on this group.

A third property known as Group C, lies directly north of the Picard Mines property. The claims are in a promising geological area and the company will carry out additional surface work here during the coming Summer.

Northland Proposes Diamond Drilling at 1,000-ft. Level

Northland Mines, Kirkland Lake, is to diamond drill from the 1,000 foot level to obtain quick information of the mineralized lay-out at depth. The drills will be used to pick up the extension of the main break, and provide the management with a picture on which future operations will be based.

Drifting is now being carried out on the 1,000 foot level, and both faces are reported to be looking good. Over 500 feet have been opened up and drifting is to be continued to the west, to cut a diabase dyke. Values being obtained average from $5 to $8.

MINING STOCK QUOTATIONS

Week Ending March 13

	Par Val	Div. Rate	Yield	High for wk.	Low for wk.	Close Mar. 13	Sales for wk.	Range 1927 High	Range 1927 Low	Range 1928 High	Range 1928 Low
Abana	1	....	....	2.95	2.78	2.80	35371	4.90	.20	3.95	1.75
Aconda	1	....	....	38	32	34	346100	45	14½	47	29
Afton	1	....	....	1.50	1.41	1.50	9250	1.30	1.00	1.50	1.25
Algonquin	1	....	....	2¼	2	2¼	37600	5¼	2	3	2
Amity C.		....	....	36½	31	35⅛	60900	50	24½	44	24
Amulet	1	....	....	4.30	3.85	4.06	32733	7.10	.85	5.20	3.00
Apex	1	....	....	7⅜	7¼	7¾	65600	10	1	9	6⅜
Area	1	....	....	.24½	.21	.21¾	30310	1.95	.23	.32	.20½
Argo. Con.	1	....	....	22¼	20	20½	155850	59	25	34	20
Arno	.	....	....	25	23	24	21950	....	....	37	18¾
Atlas	1	....	....	3	2¼	3	13250	7	2	4½	2½
Ankerite	.	....	....	.55	.50	.50	2100	1.25	1.15	1.23	.49
Bagamac	.	....	....	....	....	....	....	19	6	5	5
Baldwin	1	....	....	3½	2½	2¼	20100	5¼	1	3½	2
Barry Holl.	1	....	....	1.25	1.00	1.23	559250	1.50	.25	1.25	.73
Bathurst	.	....	....	31	26	27	873050	....	....	35	22
Beaver	1	....	....	1.70	1.60	1.60	32800	2.75	.59½	2.25	1.25
Bedford	.	....	....	53	48	49½	241250	52	19	54	34
Bellellen L.	1	....	....	....	....	....	....	23½	3	3¼	2½
Bidgood	1	....	....	1.15	.74½	1.02	1,075,950	1.83	.5	1.60	.61
Big Horn	.	....	....	35	35	35	2000	....	....	44	34
Boischatel	None	....	....	4	3½	3½	26750	27	3	5	3½
Big Missouri	.	....	....	60	56	58	3000			90	50
B.C. Devel.	.	....	....	1.75	1.75	1.75	205	1.32	1.12	2.00	1.32
Buckingham	1	....	....	8⅛	7	7¾	742250	9½	3	8⅛	4½
Cambro	.	....	....	42	31½	40	15000	58	55	55	29
Can. Lorraine	1	....	....	14	13	13	1500	12	10	18½	12
Capitol S.	1	....	....	15	14	14	9700	34	14	18½	14
Capitol R.	1	....	....	15	14	14½	212550	54½	10	18	12
Castle Tre.	1	....	....	.63	.58	.59	16650	1.27	.61	.81½	.58
Cen. Man.	1	....	....	1.57	1.45	1.45	25750	2.30	1.07	1.95	1.40
Chaput H.	1	....	....	14	12½	12½	35850	20	4½	18	8½
Clericy	.	....	....	36	29¼	34	255920	31½	31	36	16
Clifton	1	....	....	1	1	1	1100	3½	½	2	1
Coast Copper	5	....	....	47	43½	45	1750	43¼	9¼	60	36
Col. Kirk.	1	....	....	4½	4	4½	117500	16	1½	9½	4
Coniagas	5	....	....	4.85	4.75	4.75	785	5.05	3.20	5.05	4.70
Coniaurum	5	....	....	4.80	4.80	4.80	240	5.78	2.80	5.50	4.10
Cons. Smelter	25	10+40	4.66	271	267	268	1738	274½	215	289½	251
Copper Hill	1	....	....	....	....	....	....	68	36	46	44
Corona	1	....	....	12	10¾	10¾	82550	37	10	16	10
Crown Res.	1	....	....	61	48	58½	119420	80	39	70	39
Destor	1	....	....	....	....	....	....	43	20	20	20
Dome Mines	None	$1	9.21	11.50	10.50	10.85	7335	14.60	6.85	13.35	10.50
Dom. Kirk.	1	....	....	3¼	2	2⅛	43400	12½	1½	6½	2
Don. Rouyn	1	....	....	15	13	13	8800	56½	17½	22	13
Dubec	1	....	....	....	....	....	....	1.48	.85	.72	.40
Duprat	1	....	....	9½	8½	8⅜	42500	21	19¼	12½	8
Demkin	.	....	....	45	39	40	20100	....	....	55	39
Everett	1	....	....	2¼	2	2½	3200	5½	1¼	3	1½
Federal Kirk.	1	....	....	68	60	68	19250	78	40	77	60
Fiske	1	....	....	....	....	....	....	30½	5	10	4
Goldale	1	....	....	37	33	33	40600	57½	20	44	30
Gold Hill	1	....	....	29	25	26	354250	54	22	38½	21
Gold Reef	1	....	....	1¼	1½	1½	3000	2½	1½	2	1½
Goodfish	.	....	....	58	41½	57	101630	....	....	78	41½
Granada R.	1	....	....	25	22½	22½	115300	41	14½	35½	20
Grover Daley	1	....	....	13	8	13	69700	37	8	15	7
Harker	.	....	....	41	41	41	200	....	....	43	41
Harvie Exp.	None	....	....	.50	.45	.49	2375	2.40	.50	.85	.45
Hecla	1	....	....	1.23	1.21	1.23	600	....	....	1.23	.95
Hillcrest c.	100	6	9.23	....	....	....	....	65	50	65	65
Hillcrest p.	100	7	7.77	....	....	....	....	90	81½	90	85
Hilltop	1	....	....	19½	17	19	58100	25	6½	23½	12
Hollinger	5	26	7.47	17.50	17.00	17.40	3385	22.65	16.40	18.10	17.00
Howey Gold	1	....	....	1.54	1.30	1.35	181995	1.78	.42	1.91	1.05
Hudson	.	....	....	18.15	17.15	17.75	29315	....	....	23.25	16.60
Indian	1	....	....	....	....	....	....	12	4	15	5
Int. Nickel	25	$2	2.18	97	81¾	91½	142181	90¼	38	100	73¾
Jackson M	1	....	....	85½	73	84	159500	86	36	86	65
Keeley	1	8	13.00	.62	.55	.62	25222	1.66	.69	.72	.53
Keera M.	1	....	....	3	3	3	8100	13½	2	5	2½
Kirk. Hunt.	1	....	....	18	17	17½	33600	35½	10	26	16
Kirk. Lake.	1	....	....	2.21	1.92	1.92	194170	3.06	.82	2.75	1.50
Koot. Flor.	20c.	....	....	36	33	33	48150	31	22	47	28
La Rose	1	....	....	5	4½	5	350	12	3	7	4
Lake Shore	1	40+10	2.08	24.50	24.00	24.00	4555	28.20	15.40	27.70	21.15
Lebel Ore	1	....	....	50	31	41	104600	66	30	59	26
Laval	1	....	....	24	22	22	98100	59	19½	28	20
Lorrain C.	1	....	....	....	....	....	....	3¼	1	1⅛	1
Lorrain T.L.	1	....	....	....	....	....	....	....	....	30	30
Lucky Jim	.	....	....	44	40	42	8700	....	....	44	36
Macassa	1	....	....	41	38	40½	37600	69	18	55½	37½
Malartic	1	....	....	1.12	.90	1.06	636580	78	23½	1.12	.70
Marriott	1	....	....	25	22	22	2200	45	35	46	22
McDougall	1	....	....	74½	60	60	377600	90	24	74½	45
McKinley	1	....	....	19	17¼	18	8500	25½	11	20	17
McIntyre	5	20	3.70	27.60	26.90	27.00	4090	29.00	24.00	29.00	25.90
Mentor	10	....	....	....	....	....	....	14	12	13	13
Millcrest	1	....	....	9	8	8½	18200	15	2	12	8
Mining Corp.	5	25c.	....	3.80	3.60	3.65	14735	5.05	2.90	5.50	3.55
Moneta	1	....	....	....	....	....	....	15½	8¼	12	5
Montreal R.	1	....	....	....	....	....	....	35	10	16	6
Mint Ore	.	....	....	33	31½	32	28200	....	....	38½	25
Mond Nickel	.	....	....	37	36	37	250	....	....	36	31
Moss	.	....	....	42	38	40	8000	....	....	70	35
Murphy	.	....	....	42	38	39	5050	....	....	49¾	32
Monelk	.	....	....	....	....	....	....	....	....	15	15
Newbec	1	....	....	.47	.39½	.40	104300	1.20	.62½	.66	.39½
Night Hawk	1	....	....	7½	6	6	19700	10½	4	10	6
Nipissing	5	6	6.00	5.75	4.80	5.00	11605	10.30	5.25	6.00	4.70
Noranda	None	....	....	20.00	19.25	19.45	12106	25.80	19.95	23.85	17.20
Nat. P.&D.	.	....	....	10.75	9.25	9.25	3655	....	....	11.00	7.75
Ophir	1	....	....	....	....	....	....	4⅜	½	2½	1½
Osisko	.	....	....	.45	.40	.40	9900	1.75	.35	.64	.40
Picard	1	....	....	66	50	66	4500	....	....	77	50
Pawnee Kirk.	1	....	....	60	55	56	11600	78	54	80	40
P.L. Cobalt	1	....	....	23	18	22¼	187349	18	2	23	6
Porc. Crown	1	....	....	4¼	3½	4	17000	11	3	8	3
Pioneer	1	....	....	.60	.56	.59	65630	1.18	.45	.60	.48
Potter Doal	None	....	....	20¾	15½	15½	316950	65	10½	22	15
Premier Gold	1	32c.	11.85	2.75	2.62	2.70	18265	2.50	1.86	3.50	2.15
Preston	1	....	....	3¾	3½	3¼	1500	7	3	5	3
Pend Ore	.	....	....	18.50	17.15	18.00	28355	....	....	25.50	8.00
Pend pref.	.	....	....	....	....	....	....	....	....	1.40	1.15
Ribago	.	....	....	15	12½	13¼	174500	87	13	25	12¾
Rouyn G.	1	....	....	2	2	2	500	4	2½	3	1⅛
Rouyn, Que.	1	....	....	....	....	....	....	4¼	1	1½	1½
Rubec	1	....	....	....	....	....	....	3.65	.80	.80	.40
Realty & M.	.	....	....	24	20½	23	59470	38	15	24	9½
San Antonio	.	....	....	41	36	36	118300	57	30	54½	35
Siscoe	1	....	....	....	....	....	....	60	12	49	15
South Keora	1	....	....	8½	8	8½	1334	64½	4½	17¾	8
Stadacona	None	....	....	17	16	16	84015	55	13	21½	15
St. Anthony	1	....	....	40	40	40	5500	50	15	42	33
Sudbury M.	.	....	....	24	22	22	10000	....	....	33½	22
Sylvanite	1	....	....	3.60	3.41	3.45	5485	4.80	2.60	3.90	3.20
Sherritt G.	.	....	....	8.00	7.25	7.30	93448	....	....	8.00	5.00
Sud. Basin new		....	....	9.75	8.40	9.10	344620	....	....	10.50	5.25
Sunloch	.	....	....	4.25	3.30	3.30	1880	....	....	6.50	3.00
Sud. Contact	.	....	....	43	36½	38	79495	....	....	49	33½
Teck Hughes	1	10+5	....	9.10	8.51	8.75	44308	12.00	5.37	10.80	8.20
Telluride	1	....	....	37½	37½	37½	500	38	35	41	37½
Tough Oakes	1	....	....	63	60	61¾	125100	82	25	79	51
Towagmac	1	....	....	3.30	3.15	3.25	8595	5.75	2.85	4.10	2.80
Timiskaming	1	....	....	....	....	....	....	12	4	10¼	6
Treadwell Y.	1	....	....	29.25	26.00	28.00	3915	26.75	18.50	32.00	24.75
Thom. Cad.	.	....	....	57½	57½	57½	5000	....	....	57½	57½
Vickers	1	....	....	.70	.65	.65	800	1.52	.25	1.25	.65
Vipond	1	....	....	.56	.53	.53	25163	1.74	.47	.85	.48
Wakenda	1	....	....	13¼	10½	11⅜	80150	16	1	15	7
West D. Lake	1	....	....	13¼	11¾	12½	48800	20	8	17½	10
West Tree	1	....	....	....	....	....	....	4½	1	....	....
Wiltsey C.	1	....	....	49	48	48	3500	74	50	56	43½
Wright Har.	None	20c.	3.86	5.75	5.05	5.18	87465	8.45	5.50	6.80	4.00
Windfall R.	.	....	....	18½	16½	18½	26700	31	19¾	25	11½

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MANITOBA BASIN USES AEROPLANES FOR MINING WORK

Company Plans Extensive Explorations in Northern Manitoba

Aeroplanes promise to be part of the standard equipment of the larger Canadian mining and exploration companies in the near future. Manitoba Basin Mining Co. is blazing the way in this regard, having acquired control of Eastern Canada Airways Limited. By so doing it secures a new Ryan monoplane similar to the Lindbergh machine. This will be used in exploration and other mining work, and when not in use by the company will be available for public use.

Manitoba Basin Mining Co. has also purchased a complete assay plant which it will instal at The Pas, Manitoba. This will take care of the needs of the company and at the same time be available for custom work.

The company will operate in the Sherritt Gordon area and also conduct extensive explorations in Northern Manitoba and Saskatchewan. The company at the present time owns three groups of properties. The "Hopkins" group, consists of 408 acres located one mile west of the Sherritt Gordon. The Canax, consists of 950 acres situated to the northeast of Sherritt Gordon, and the third group some 600 acres, is located at Partidge Lake.

K. A. Blatchford, M.P., mayor of Edmonton, is president of the company which is capitalized at 5,000,000 shares of no par value. Some 2,000,000 shares have been issued for properties, to cover organization expenses, and to provide the treasury with $25,000, and there remain 3,000,000 shares unissued.

BIDGOOD'S DRIFT SHOWS GOOD ORE ON NEW SUB-LEVEL

Values for 50-ft. Show Average Gold Value Around $35 Ton

Drifting on the sub-level at 365 ft. on Bidgood Consolidated Mines, Kirkland Lake, has now advanced 50 ft. and values are holding consistently around $35 across the face of the 5-ft. drift. Much free gold has been encountered.

Pres. Leo Erenhaus says he is greatly pleased with the outlook for the operation. The recent important discovery in diamond drilling, Moffat-Hall, adjoining, is of major importance to Bidgood. The ore was cut close to Bidgood boundary and on the projected strike of the ore Bidgood has a good chance of having it for a length of 1,300 ft. The Moffatt-Hall body is in a parallel zone to the ore which Bidgood is developing.

Some fabulous assays have been secured recently on Bidgood property on the 400-ft. level and in the raise on the 365-ft. sub-level. Values from $100 to $500 per ton in gold are quite common. Crosscutting further west from the vein on the 400-ft. level. Bidgood has cut a new 8-ft. vein which compares quite favorably to the main ore on both the 300 and 400-ft. levels.

Canadian National Appoints Hore to Consulting Staff

Further evidence of the close attention the development of Canadian mineralized areas is receiving from the Canadian National Railways is evidenced in the recent appointment of Reginald E. Hore, Toronto, as consulting geologist to the company's Natural Resources Department.

Mr. Hore is recognized as an authority on pre-Cambrian ore deposits and is well known as the editor of the Canadian Mining Journal and the recently published Canadian Mining Manual. For many years he was associated with the late Professor Willet G. Miller in the study of the geology of the Cobalt region, and has also spent several seasons on expeditions into New Ontario with J. B. Tyrell, the well known explorer and engineer. Mr. Hore's appointment is viewed as a further step in the railway's policy of stimulation of interest in the Canadian mining fields.

Sink Graham-Bosquet Shaft to 300 Horizon

A new mining plant has been ordered and is now on its way to Graham Bosquet property in northwestern Quebec. This is a gold operation, situated west of Thompson Cadillac and O'Brien. Company proposes to sink a new three compartment shaft to 300 feet and to explore the property on that horizon. Preliminary work has given $7 per ton over consistent widths.

Treadwell Yukon Completes Plant

Treadwell Yukon's milling plant is rapidly nearing completion and it is expected it will be in operation by the first of next month. The initial unit is of 200 tons capacity. It will be used for experimental purposes until complete operating details have been determined, and will then be placed on production.

Locate High Grade Ore

Consolidated Smelters is reported to have encountered high grade ore in shaft sinking on the Hill-Tivy-Sloan property at East Clearwater Lake, Patricia district. The vein at a depth of 16 feet is said to have widened to a width of 12 feet, compared with 3 feet on surface. The property has been optioned by Smelters from the owners, Porcupine mining men.

Pawnee Picks Up Vein

Pawnee Kirkland, after encountering a fault on the 750-ft. level, has picked up the vein on the west face where it has six feet of $14 ore. The vein is well defined and is reported to be equally as good as it was on the 500-ft. level. The vein has also been picked up east of the fault, but the grade is a little lower.

Red Lake Centre Finds Ore

Red Lake Centre Mines has uncovered an important ore deposit close to Howey Mine. It has been trenched across a width of 30 feet and is being blasted preparatory to channel sampling. The superintendent in charge of operations has wired that the ore closely resembles that of Howey.

Pend Oreille Ore in Open Cut Work Shows $100 a Ton

Handles Three Mines

J. J. BYRNE,

who is in control of Northland, Pawnee and Ritchie Gold Mines, three operations in East Kirkland Lake. All three ventures are looking well. Northland has been opened up to 1,000 feet and lateral work is being pushed. Pawnee has shown some excellent ore down to 750 feet. Work has just got nicely under way on Ritchie, and the latest information is that good ore has been cut in the shaft.

But Coast Speculators Ask is It Mine or Only Myth?

TREMENDOUS DEPOSIT

Work Done Reveals Big Reserves of High Grade Ore —Is Just Below Canadian Boundary

From Our Own Correspondent

VANCOUVER. — Is Pend Oreille lead and zinc operation, in State of Washington just below the Canadian boundary, a big mine or a myth?

This is a question encountered hourly around Vancouver. It is cited as an evidence of how little is known about the venture on the coast. The stock has been a sensation. Making its appearance in Vancouver around 50 cents, it has sold up rapidly to $26.50 and later eased to the present level of around $18. All the time the public has been wondering what it was all about.

One Vancouver brokerage house got its clients in early, but it is understood, that few of them were able to stand the temptation of the fabulous profits which their speculation soon showed and they got out. Today the real market for the shares is in Eastern Canada and it is believed that Toronto and Montreal each holds more of the stock than Vancouver. Substantial blocks are held in Spokane.

Speculators Are in Doubt

In Vancouver speculators do not seem to be able to make up their mind as to whether the proposition is a mine or whether the Easterners are buying the stocks to get control of the giant water power, which it is credited with owning at Metaline Falls on Pend Oreille river.

Litigation with the original holder of the water power, an hydraulic engineer named Cooper, has been threatening. The Financial Post was told by interests close to the operation in Vancouver that an amicable settlement will be made. What the company's position will be then is not known. It will cost around $7,000,000 to develop this water-power.

Ore of $100 a Ton

As to the mine it looms large. Ore of a value of $100 per ton has been indicated by open cut work and diamond drilling. There are now six diamond drills at work and while this exploration has not reached the conclusive point, enough has been made known to indicate deposits of tremendous proportions.

Assays are available from time to time and a specimen, one chosen from a large number, gave the following result:

	Content Per Ton	Value Per Ton
Gold oz.	1	$20.00
Silver oz.	42	23.94
Zinc %	21	22.78
Lead %	8	9.28
Copper %	8	8.40
Gross value		$84.35

Has 200-Ton Mill

The property consists of a strip of land about two miles wide which extends for 14 miles along the Pend Oreille river. There is a 200-ton mill on the property which will operate in the nature of a pilot mill as soon as it is remodelled by adding flotation. Last year the company shipped 33 cars of zinc concentrates. Pend Oreille is capitalized at $1,400,000 being $400,000, 7 per cent. cumulative preferred and $1,000,000 common. Preferred must be retired before common dividends can be paid.

Smelters Crowd Buys

Big interest in the venture developed when it became known that interests associated with Consolidated Smelters were heavy purchasers of the stock. "Smelters" engineers are close to the development and are doubtless advising Lewis P. Larsen, president, who is in charge.

Drills Cut Ore in 73 of 75 Buchan Holes

American Smelting and Refining, operating the Buchans Mine, Newfoundland, has just completed drilling 75 diamond drill holes, testing out an undeveloped section of the Buchans property. In 73 of the 75 holes they struck ore of commercial grade. This adds tremendously to this already large blanket deposit of high grade ore.

Annual report of A. S. & R. which has just been issued, says Buchans property should start to pay returns this year but it will be a few years before full earning capacity will be reached. The report says of the operation:

"Your company has acquired what is, in effect, a half interest for fifty years in the Buchans mine, in Newfoundland, producing principally zinc and lead, and during that period will manage the mine. A mill is in process of erection, and this property should begin to pay some returns by the latter part of 1928. It will, however, be two to three years before all construction can be completed and full earning capacity realized."

Hunnings & Company Open Vancouver Office

After a long connection with financial circles in British Columbia through the head offices of the firm in Victoria, H. E. Hunnings & Co. have established offices in Vancouver.

The Vancouver office will be in charge of George E. Ruston, one of the best known financial men in Vancouver. Mr. Hunnings, of Victoria, is the president of the company, and Mr. Ruston is vice-president.

The company holds a seat on the Victoria Stock Exchange and H. E. Hunnings & Co. have been established as a financial firm in Victoria for the past 12 years.

Robb Sees Objective Reached

Robb-Montbray reports favorable progress in the work of shaft sinking, and it is anticipated the shaft will be down to the present objective, 525 feet, by the end of May. Supplies and equipment for the requirements of the coming summer have been taken into the property over the winter road and an extensive program of lateral work on the 375 and 525 ft. levels will be carried out. This work is to start about the end of May.

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LEWIS FLEMMING WILL OWN CLAIMS AT WOMAN LAKE

Takes Over Property of Woman Lake Centre Syndicate

The Lewis Flemming Mining Co. is the name under which application has been made for a charter for the company which will take over the property of the Woman Lake Centre Syndicate. It is anticipated that the charter will be granted some time this week and as soon as it is secured, an organization meeting will take place.

The Woman Lake Centre Syndicate properties consist of two groups of nine claims each, in the Woman Lake district. Preliminary work has been carried out here for the past two years with good results. One group adjoins the Jackson-Manion property on the north. Only sufficient work to comply with the Mining Act has been carried out on this property. A couple of promising veins were located and it is believed that the continuation of the vein on which Jackson Manion has sunk its shaft will be picked up on this property.

Calls It Ideal Structure

The company's second group is located three quarters of a mile north of its south group and on the east side of the Narrows. Douglas Wright, M.E., reported this property has an ideal structure for gold. Considerable trenching and other surface work has been carried out, and some seven or eight veins located. One vein stripped for a distance of 300 ft., was found to average from 18 inches to seven feet in width. Values taken from grab samples, it is reported, ran from $9 to $59. The promoters of the company are confident that this property will amply reward development, and plan to resume operations as soon as the snow is off the ground and to place the work in the charge of a competent engineer and geologist. It is said that the company will be adequately financed. A public offering is to be made of a block of the treasury stock. The company will have a capitalization of 3,000,000 shares of no par value, of which 900,000 will be issued to the vendors of the property, leaving 2,100,000 in the treasury.

Woman Lake Will Make Offering From Treasury

At a recent meeting of the Woman Lake Centre Gold Syndicate, a resolution was carried authorizing the trustee to apply for incorporation of a company with a capital of 3,000,000 shares without par value, of which 2,100,000 are to be treasury shares, and 900,000 shares are to be issued for the properties of the syndicate, comprising over 530 acres on the narrows at Woman Lake, about half of which adjoin the Jackson-Manion on the north, the balance being about three-quarters of a mile further north on the same break. The vendors' shares are to be pooled in the hands of the trustee for one year, or until the sum of $100,000 shall be paid into the treasury of the company.

Each syndicate share-unit will be entitled to 225 shares in the new company. The present syndicate shares will, of course, be transferable.

The properties have been worked for the last two seasons with considerable success, warranting intensive development under a competent engineer, whose services will be acquired.

A vote of thanks was accorded the trustee, H. L. M. Weller, of Toronto, for his efforts in behalf of the syndicate.

It is expected that a flotation will shortly be made of treasury shares sponsored by a strong board of directors.

Quebec Centre Mines Thinks Vein Widens

Quebec Centre Mines has found four new quartz stringers bearing both gold and copper values on the north side of its mineralized zone, according to the report of mine manager F. C. Lines.

A shaft has been sunk on No. 1 vein. This vein, which had the appearance of a mere fissure on the surface, is reported to have widened steadily to depth and assays made from the samples give encouragement for commercial ore bodies further down.

The working staff has been increased and additional camp buildings erected for the accommodation of a two-drill air compressor, a hoist and complete general power equipment plant which the company expects to have installed by the middle of March.

Makamic Mines Work Warrants Development

From Our Own Correspondent

MONTREAL. — That the surface showings on the Makamic Mines holdings in Chazel township may be considered satisfactory and promising is the view expressed by Leonard Germain, the company's engineer, in a report submitted to the management, containing a brief summary of the trenching and magnetic survey work done on the claims.

The work done to date has uncovered two veins. The magnetic survey indicates the length of one to be about 130 by 10 feet and the second zone of mineralization has been exposed for about a length of 70 feet; it has a width of 13 feet. In all, the company has uncovered 130 feet which shows a heavy mineralization. The engineer says that the work done to date warrants extensive developments and diamond drilling to depth.

Thirty Men at Work on Gem Lake Property

Complete mining plant and supplies have arrived at the Gem Lake property and a crew of 30 men are now engaged in actual development work under the direction of Mine Manager H. S. Donaldson.

The main showing has already been trenched for a distance of 1,000 feet with a width of approximately 150 feet. Douglas Wright, consulting engineer, in his report on the property recommended that the work on the main showing be continued, as there appeared to be a favorable eastern extension of the zone which had not yet been opened up. The work of extending the zone both east and west is to be proceeded with immediately.

Shaft is Going Down on Murphy Mines Property

At the present rate of progress, shaft-sinking on the Murphy Mines will have reached the 200 foot level by April. The shaft is now down to a depth of over 100 feet. When the 200 is reached, a station is to be cut and a crosscutting will be started.

The installation of the plant has been completed, but the power line has not been put in, and it is not expected that this work will be completed within 60 days. In the meantime, operations will be carried out with a gasoline plant which will answer the present require-

Bootleggers Boom "Smelters" Issues

From Our Own Correspondent

VANCOUVER.—Gossip on the street is that "Bootleggers" are responsible for the hectic market in Sunlock and Coast Copper shares. The wealthy rum-runners have bought heavily. Both these companies are controlled by Consolidated Smelters. The former is lying dormant and has been since 1922. It is said that it cannot go on until adjoining ground is acquired. It is rather interesting to note that this adjoining ground is controlled by ex-engineers of "Smelters" and associates. Coast Copper is being developed but "Smelters" will have to get a tremendous slice of the profits for funds expended before shareholders can hope for anything. The best opinion on the coast is that these issues have been away overdone.

MOFFATT-HALL'S STRIKE IS CLOSE TO MINE SURFACE

Values Over $100 Struck at Ninety Feet Depth

Latest reports from diamond drilling on the Moffatt-Hall property are that a sulphide dike sixty feet wide has been cut by diamond drills at a depth of ninety feet. A seven foot vein was cut at a depth of seventy feet. The first assay gave gold values over the whole ninety feet, the majority of these were low, but for the seven foot vein, values up to $194 were obtained for the first three feet, and $105.20 for the next four feet, an average of $149.50 for the seven feet.

Most Remarkable Strike

The discovery is one of the most remarkable strikes made in the Kirkland Lake camp at this depth. It is a source of much satisfaction to Moffatt-Hall, and of much encouragement to neighboring properties. The third hole has been completed on this property and the vein was cut at a much lower depth. Assay values from this will be available at the end of the week. Results of the first hole gave low gold values over 130 feet.

Moffatt-Hall's program calls for some 3,000 feet of diamond drilling. This will include the sinking of holes on that section of the property adjoining the Wood-Kirkland where it is anticipated the extension of the Wood-Kirkland vein system will be picked up.

Application has been made for listing Moffatt-Hall stock and it is anticipated that it will be called for trading in the near future.

Geophysical Prospecting Proves of Value, in Limits

Geophysical prospectors sometimes claim too much, and mine managers often expect too much, but pure geophysics is making, in some directions, rapid progress in its application to underground exploration, according to Professor A. S. Eve, of McGill University.

The geophysical methods employed are divided into two classes, according to Professor Eve. In the northern mining regions magnetic, electrical and electro-magnetic methods prevail, and these regions are often hilly, rocky, mountainous. In the southern or Gulf of Mexico region, which is often flat, the underground irregularities—such as the salt domes on the flanks or tops of which oil is often found—are sought for with seismic, gravitational, magnetic and recently with electrical methods.

"As regards electrical and electro-magnetic methods," Professor Eve states, "it may now be fairly claimed that these have stood well the preliminary tests, and that next they must face the fiery ordeal of achieving their actual purpose of discovering, in a useful manner, the conductors which are below the earth, and of discerning, as far as possible, their size, shape, depth and nature. This is a searching demand. Some ore bodies, such as zinc blende, do not conduct better than the rocks surrounding them and thus evade detection. Underground water may conduct sufficiently well to simulate an ore body, thus deceiving an enthusiast who would not be fooled by surface water. A thin, rich vein of worthless pyrites might prove an exciting discovery to a geophysicist, while the mine manager would view it with cold disdain.

"The fact, however, remains beyond a doubt that good conductors can be located underground by several different electrical and electro-magnetic methods, while they could not be detected by magnetic methods, and that suitable schemes may, and probably will, prove to be of great service alike to mining men and to geologists.

Windfall Rouyn Reports 2,300 Feet of Drilling

A total of 413 feet of heavy sulphide ores, containing disseminated chalcopyrite, was cut by diamond drills in four holes put down on the property of Windfall Rouyn, according to a progress report issued by the company for the month of February. The total footage of diamond drilling for the month was 2,348 feet. Promising mineralization was encountered in other holes put down but it was not as valuable as the four holes mentioned.

A small shaft was put down to a depth of 30 feet in the eastern section of the property and the bottom of the shaft was reported to be heavily mineralized with sulphides and chalcopyrite. Work here has been stopped pending diamond drilling results at depth. If it is decided to continue the shaft down, a mining plant will be installed.

Owing to the heavy snowfall all outside work on Windfall Rouyn will be confined to diamond drilling until the coming of spring.

Coal Valley Bondholders To Meet for Settlement

Settlement of the affairs of the Coal Valley Mining Co., of Edmonton, will be brought about at a meeting of the bondholders at the office of the Trusts and Guarantee Co., on May 12th next.

This company has been in operation for a number of years, but has been unable to make headway. Its property covers an area of 2,964 acres at Prattville. The coal is of sub-bituminous character.

It is now proposed to pay the bondholders 50 per cent. of the bonded indebtedness of $200,000, on or before June 30th, and to obtain a renewal of the balance for a period of two years from that date by means of a new issue of first mortgage 8 per cent. bonds to the amount of $100,000. This proposed issue is to be placed under the same terms and conditions as the existing deed of trust.

REPORT ON HOWEY DUE ABOUT APRIL

Ore Encountered Recently on 500-ft. Level is Richest Yet—Meeting April 10

Howey Gold Mines in drifting on the 500-ft. level of its Red Lake property, has cut the heaviest ore yet encountered. This means much as on surface and on the upper levels, Howey has cut some very rich stuff. It is too early to say much about this latest development, however, until such time as it is established whether or not this rich shoot has length.

Manager Horace Young is making good progress in driving on the different levels, and is crosscutting the ore body every fifty feet. The end of the month will see enough work accomplished to give a good line on the property's possibilities, and as a result, it has been decided to call the annual meeting for April 10. Some time prior to the meeting, President Jack Hammel will prepare a detailed progress report and issue it to shareholders. This may be expected right after the end of the month.

MANAGER NAMED FOR HARKER MINE

Ed. Quantz, Formerly of Sylvanite, Has Taken Charge of Development

Edward Quantz, development engineer on Sylvanite Gold Mines, Kirkland Lake, has been appointed manager of Harker Gold Mines at Lightning River, and has already taken charge. It is understood that supplies, sufficient for one year, have been taken in over the winter road, and word is expected any day now that the workings have been dewatered and are ready for an intensive development program.

It is the intention to start on the 500-ft. level and the plan is to drive a crosscut north to tap what is known as the north vein, and then to drift on this to the porphyry, where it is expected that a better grade ore than that so far encountered will be cut into. At the same time, it is the intention to continue shaft sinking to 1,000 feet, and to open up the mine laterally to that horizon.

Buckingham Joins Parade; Buys Claims in Sudbury

Buckingham Mines has optioned a group of claims in the Sudbury district. It is reported that the company recently sold a block of stock privately which netted the treasury about $45,000.

This money has been ear-marked to cover development work on the Sudbury claims and a portion will also be devoted to securing the report of an eminent geologist on the company's Shining Tree property. The report of a new gold discovery in this district has again attracted attention to its possibilities.

Nipissing to Concentrate on Lebel-Oro Group

Nipissing Mining Company is to concentrate its Cobalt mining efforts to the east side of Cobalt Lake. The Meyer ore shaft on the west side has been closed down. The shut-down is said to be only a temporary one, as there is still a considerable quantity of ore available. Nevertheless, the shut-down marks the near approach to the end of the company's operations in this section of the property. Further exploratory work will be continued until the possibility of locating further ore here is completely exhausted, but the company's major effort will be devoted to the workings on the east side of the lake.

Some rich ore is reported to have been located here in the vicinity of the 49 shaft.

Nipissing's major efforts will now be centred on the development of the Lebel-Oro property in Kirkland Lake, where diamond drilling operations are to begin at once.

Nipissing Mines this week took charge of the operation of Lebel Oro property in Eastern Kirkland Lake. It is understood that the exploratory program includes diamond drilling from the 200-ft. level. Horizontal holes will be pushed out north and south, and also vertical holes, to test out the ground at depth. Drilling will start immediately.

Lebel Oro has cut some excellent ore on the 300-ft. level, and secured some very high values over good widths in some blue quartz which was encountered in drifting on the south vein.

Dewatering Stabell Workings Started

N. O. Carpenter, former manager of Blue Quartz Mines at Painkiller Lake, has been appointed manager of the Stabell Mines, in Northwestern Quebec, Hurricanaw section, and has already taken in supplies to last three months. This property can best be reached in the summer, there being a good waterway, and it is expected that the present supplies will last until after the spring break-up.

There is a shaft down on the Stabell to 600 feet, with considerable lateral work, and this is now being dewatered. It is the intention to push developments simultaneously on three levels, drifting on the vein on the 300, 450 and 600-ft. horizons.

Demara May Cut Ore By End of This Week

The second diamond drill hole on the Demara property, adjoining Abana in Northwestern Quebec, should be completed this week, and the expectation is that there will be some important news forthcoming. This hole has already cut into several lenses of massive pyrrhotite showing disseminated chalcopyrite, and it is expected that by the end of the week the drill will have reached the main lense which it is anticipated will show a good grade of commercial ore.

Drills on Mudleskotia

Mudleskotia Mining Company will start diamond drilling its holdings in Robb Township this month. Camps are now being built and development work has already been started by a crew of men under the direction of Burnett C. Lamble, M.E.

The property which was formerly known as the Mulligan-Desroches, is reported to have been the scene of an important find of chalcopyrite and grey gossan.

Crosscutting on Hunton

Crosscutting is preceding on the 500-ft. level of Hunton Kirkland, to tap an area which gave good results in diamond drilling, and which should be reached early in April. In this drilling ten feet showed $4 in gold, ten feet $3.80 and a five foot section $5.

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Sinking Cambro Shaft Has Just Been Started

Cambro Kirkland Mines, lying between Bidgood and Lebel-Oro in Eastern Kirkland Lake, has its new camps about 90 per cent. completed. The shaft has been started by hand steel, and by the time the electric power is available, a good start will have been made. The power lines are now about half way to the property. All machinery and equipment for the new plant has been delivered to the property and the hope is that work with the electrical equipment will be under way by the end of April. The company is in a strong financial position.

RED LAKE GOLD SHORE

Red Lake Gold Shore Mines is to start shaft sinking on its property immediately. The shaft will be started by hand steel. A complete new mining plant has been ordered and is now on its way to the property. When this has been installed, the shaft will be carried down to the 500 foot horizon.

Charles B. Morgan has been engaged as mining engineer and will have complete charge of operations.

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PROPERTIES: 400 acres in the Cold Lake District of Northern Manitoba. The Company's most promising ground adjoins the Sherritt Gordon property on the west and in direct line with the ore-bearing structure of the latter.

FINANCES—The financing arrangements will follow along the lines of the original Sherritt Gordon financing, an allotment of stock being made at 40 cents per share as compared with Sherritt Gordon's original allotment at 50 cents. Treasury underwriting arrangements will net the Company $465,000.00.

DEVELOPMENT—Preliminary prospecting on the company's claims last summer revealed geological conditions similar to those found on the Sherritt Gordon properties. In addition to an intriguing geological situation, four parallel bands of mineralization are exposed crossing the claims in a northwesterly and southeasterly direction. Although no sampling was attempted, chalcopyrite was noticeably present.
The intensive development program now under way on the westerly section of the Sherritt Gordon property has a most direct bearing on the Cold Lake Mines Limited claims, one diamond drill hole having entered excellent ore within less than two hundred feet of the boundary of the two properties.

IMMEDIATE PLANS—The 1928 program outlined by the management of Cold Lake Mines, Limited, will be the most aggressive in the district with the single exception of Sherritt Gordon itself. Permanent camps are being erected to accommodate up to fifty men and to provide adequate facilities for the carrying out of large scale operations.

A complete mining plant will be taken into the property over the winter roads. Same will include a power plant, compressor, hoist, and attendant equipment. An electrical survey will be started immediately, and will be followed by extensive surface trenching. One diamond drill will be used near the Sherritt Gordon boundary in the zone where the management proposes to sink the shaft and another drill will explore at depth known mineralized areas on number two group.

MANAGEMENT—The Company has been so fortunate as to secure the services of an outstanding mining engineer having over twenty years' experience in base metal mining and who is resigning an important post with one of the largest producing mines in British Columbia, to direct the destinies of Cold Lake Mines, Limited.

CONCLUSION—The extraordinarily advantageous property situation with respect to the Sherritt Gordon holdings, where something like between $300,000,000 and $400,000,000 in mineral wealth is already indicated as a result of preliminary operations, makes the stock of Cold Lake Mines, Limited, one of the outstanding speculative opportunities in Canada to-day. The policy of the Company is both sound and comprehensive and, if the diamond drilling campaign proves the Sherritt Gordon ore to cross the boundary into Cold Lake Mines ground as it has the appearance of doing, this stock should go to at least two dollars per share and be worth it.

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AIR PROSPECTING PROPOSAL GIVEN GOOD RECEPTION

Public Men and Mine Operators Assure Hammel of Their Support

Jack Hammell is being flooded with letters of congratulation on his Northern Aerial Minerals Exploration Co. which he announced last week. In addition he has received numerous pledges of financial support from innumerable large mining companies and operators as well as many public men.

The prospectus giving full details of Mr. Hammell's financing plan will be announced this week. It is understood that he will make a public offering of 100,000 7 per cent. non-cumulative preferred shares at $50. These shares are redeemable at a 25 per cent. advance or $62.50 and carry with them one share of common stock. The proposal is to issue 250,000 no par common shares. Of these 100,000 will be given with the preferred and the other 150,000 will go for organization.

"Every mining man in the country should get behind Jack Hammell in his new organization," said Leo Erenhans, president of Bidgood and other mines.

Mr. Hammell will push ahead his financing and organization plans at the same time and will soon be ready to launch out in actual operations.

As the first announcement showed, this is to be done by means of aeroplanes. Back of this Hammell is putting his long years of experience in prospecting, developing and financial mine operations.

Sudbury Basin Sinks Shaft on Cheney at Dean Lake

Sudbury Basin Mines is now engaged in shaft sinking on its Cheney property at Dean Lake. This property, which consists of a group of six claims, is located some thirty miles from Dean Lake station on the C. P. R. Considerable surface work has already been carried out and a vein varying in width from six to forty feet uncovered. It is reported that disseminated values in copper, with some high grade in spots, were obtained. A shaft was put down the vein to a depth of eighty feet and is now being continued to 150 feet. It is proposed to carry out lateral work when this objective is attained.

Blue Quartz Gold Mines Will Make Public Offer

The first public offering of Blue Quartz Gold Mines in the Painkiller Lake district of Northern Ontario, is to be made within a few days. The issue will consist of one million shares and will be offered by a number of financial houses at fifty cents a share.

H. C. Crow, president of Barry Hollinger, is also the president of the Blue Quartz company. It is stated that the company has expended up to date $575,000 in mine building, machinery and development. Of this total, $175,000 was expended on plant and buildings, and $400,000 on development.

N. O. Carpenter, M.E., who prepared the last operating report on the property, gives an estimate of $565,890 ore developed, with practically no stoping or mining other than by drifting. This ore is placed at an average of $15. The engineer also states that there is a considerable tonnage of ore under $8, some of which can be milled with the higher grade ore.

The board of directors of Blue Quartz Mines is as follows: H. C. Crow, president; W. W. Butler, Montreal, John Hallam, Toronto; A. G. Parker, Toronto; J. A. Tuck, M.D., Toronto; A. J. Bolton, Toronto; J. H. W. Crow, Birmingham.

COLD LAKE MINES BUYS MORE CLAIMS

Property Second Only to Sherritt-Gordon in Activity in Area

Cold Lake Mine directors have authorized the purchase of additional claims adjoining the company's present holdings adjacent to the Sherritt Gordon property. The acquiring of these properties which lie between No. 1 and No. 2 groups will give Cold Lake some 4,000 additional feet along the main ore bearing zone which extends westward from the Sherritt Gordon boundary through the Cold Lake property. The company will acquire title outright to the new purchase.

The erection of camp buildings to accommodate 50 men, as well as a blacksmith shop, powerhouse, hoist house, etc., is in full swing.

The directors authorized the purchase of a hoist, 100 h.p. boiler, five-drill compressor and other necessary equipment which will permit the sinking of a shaft to a depth of 500 feet.

The directors also authorized the immediate commencement of a detailed electrical survey of No. 1 group. The survey will be confined to areas along the boundary between Cold Lake Mines and Sherritt-Gordon Mines. It is the intention of the management to extensively explore the present showings, as well as any that may be indicated from the electrical survey, by diamond drill. A diamond drilling contract has been entered into and this work will be under way within a few weeks.

Adequate working capital is assured and it is the intention of the directors to carry out a comprehensive development program. The position of Cold Lake Mines Limited so far as this year's work is concerned, will be second only to that of Sherritt-Gordon Limited in the Cold Lake area. The taking in of diamond drills and a complete mining plant before the break-up assures the company a second place in the district. It is the intention of the board to issue progress reports regularly as development work proceeds.

Crown Reserve Plans Opening Five Levels

Crown Reserve is now cutting the station on the 1,050-ft. level and by April 15 will have reached the 1,175-ft. level. It is then proposed to open up five new levels by cross-cutting, according to Leo Erenhous, managing director. These will be 1,175, 1,050, 925, 800 and 675.

Crown Reserve has already proven $1,500,000 of ore that will run better than $6 per ton. The expectation is that deeper mining will open a better grade of ore, sufficiently rich to give a profitable "run-of-mine" ore.

Sherritt-Gordon Shows $400,000,000 of Ore

Sherritt Gordon will sink its No. 1 and No. 2 shafts, situated on the eastern and western end of its properties, to a depth of 1,500 feet as the result of information obtained from recent diamond drilling, it is reported.

The original intention was to carry the two shafts down to a depth of 500 feet and follow this up by lateral work. It is now said that the company will carry the shaft down to the 1,000 foot level and probably the 1,500, as the plant equipment will permit of operations to that depth. Levels are to be opened up as they are come to.

Recent diamond drilling has furnished the company with information that is "entirely satisfactory," according to Charles D. Kaeding, consulting engineer.

No. 1 shaft is now down 65 feet, and work has just begun on No. 2 shaft, which is 7,000 feet distant to the west. The sinking is being done by contract, and completion of the shafts to the 500 foot level is called for by July. Under present plans it is expected the 1,000 foot level will be reached before the freeze up next fall. Lateral work will start in No. 1 shaft at the 125 foot level, where a cross-cut will be run in.

Development work so far has been largely confined to surface exploration, and diamond drilling to comparatively shallow depths of a single deposit. This has resulted in proving up some 9,000 feet of ore. The strike has an apparent length of 18,000 feet across the company's property, but no attempt has been made to prove the ore body on the east end of the property.

Work carried out to date shows nearly $400,000,000 indicated ore, which, it is estimated, will average $14 to the ton, largely in copper and zinc.

New Company Acquires Gold Centre Porcupine

The Gold Centre Mines property, located to the south of the Hollinger in Tisdale Township, Porcupine district, has been acquired by a new company, Gold Centre Porcupine Mines, Limited. This company, which but recently received its charter, is stated to be amply financed to carry out extensive development work. At the present time, a shaft has been put down to a depth of 70 feet, and about 1,000 feet of cross-cutting and drift work carried on. The new company proposes diamond drilling the property.

North American Lead Exchange

The properties of the North American Lead and Refining Co. have been transferred to the North American Metals on the basis of a stock exchange of two shares of North American Metals for one share of North American Lead and Refining. The transfer was approved at a recent meeting of the shareholders.

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These interests are fully described in the current issue of Canadian Mining World.

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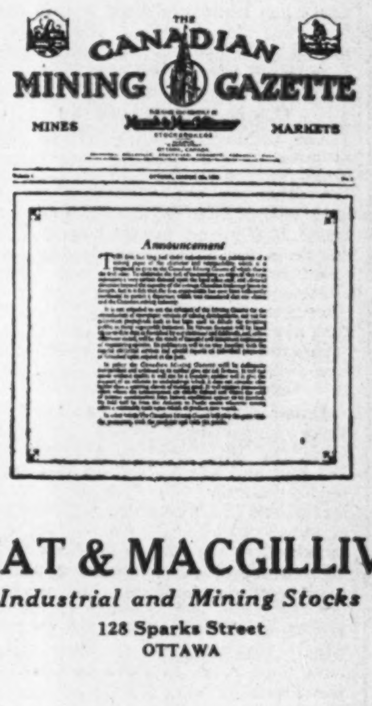

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Mines Branch Official Forecasts Bright Future for Porcupine Mine Area

Hollinger Ore Reserves Are at Least $66,000,000

McINTYRE IS BUSY

Dome is Also Doing Considerable Work to Prove Up New Bodies of Ore

By ARTHUR BUISSON
Mines Branch, Ottawa.

The Porcupine gold area in the District of Cochrane, Northern Ontario, occupies first rank amongst the gold producing areas in Canada. Production has been considerably increased at the Hollinger and at various other properties by intense development work and additional plant construction. Big things may be expected from such mines as the McIntyre, the Dome and the Coniaurum where similar work is under way or contemplated.

The underground workings of the Hollinger mine extend over ninety miles. The property has several deep shafts; the main hoisting shaft has a depth of 3,000 feet, and a hoisting speed of 3,000 feet per minute. Another shaft is 1,800 feet in depth and is used mainly for hoisting men and supplies. The old Schumacher shaft has been renovated and is being used for handling the timber needed underground. The main shaft is hoisting ore at the rate of about 6,000 tons per day.

Ore Reserve $66,000,000

The primary crushing of the ore is done underground by two large crushers, one on the 2,300-foot level, the other on the 2,700-foot level; each with a nominal crushing capacity of 10,000 tons per 24 hours. The ore from the other levels is dropped down to the crusher through pass chutes. The ore reserves of the mine are given officially as 7,770,234 tons averaging $8.49 per ton, with an estimated gross value of over 66 million dollars, but this figure, no doubt, is a very conservative one.

Dome Mines Limited has sunk a three-compartment winze (No. 5) from the 16th level to a depth of 338 feet and has opened up two new levels, namely the 17th and 18th levels, and has proceeded with lateral development to prove up the ore indicated in the diamond drill holes. The future of the property appears to depend very much on the success of this new development, although recent unofficial reports are to the effect that promising discoveries have been made in some of the upper levels.

Active at McIntyre

At the McIntyre mine a very active development compaign confined largely to the lower levels has been carried on during the last few years and appears to have met with encouraging results. The deepest lateral workings are on the 2,875-foot level where a few thousand feet of development have been done. The mine is served by three working shafts. No. 5 has a depth of 2,435 feet; No. 6, the Main shaft, which is 3,019 feet in depth and No. 11 which reached its objective of 4,131 feet early in March 1927. The curtailment of development work on the lower levels due to the inability of shafts No. 5 and No. 6 to handle the heavy tonnage of milling rock has been relieved by the completion of No. 11 shaft. The ore reserves of the McIntyre mine are given officially as 1,675,893 tons averaging $8.43 per ton with an estimated gross value of over 14 million dollars.

A noteworthy feature in the history of the Porcupine area has been the steady increase in the total annual production of gold which, at present, is at the rate of about 24 million dollars, and the active development programs under way by the principal operators augurs well for similar progress in the future.

Wooley Interests Buy Terminus Mine, B.C.

A large British mining organization, the W. H. Wooley interests of London, have entered the Canadian mining field, and secured control of the Terminus Mine on Upper Bear River, B.C.

The Wooley people are large mining operators in South Africa. Their purchase in the Portland Canal district marks their first venture in the Canadian mining field.

Prior to the transaction, more than 80,000 shares of Terminus stock were liquidated and out of the funds thus obtained all liabilities of the company were wiped out and the company turned over to the new owners in a sound financial condition. Operations are to begin at the mines at once.

Canusa Mining Takes Over Porcupine Property

A new mining company has stepped into the picture in the Porcupine Mining Camp in the Canusa Mining and Exploration Co., that has optioned and taken over the old Scottish-Ontario Mine.

The Canusa is being promoted by George Miller, formerly of the Miller Independence, who will act as president of the new company. It will also have on its board, Peter MacLaren, the well known geologist, John C. Hill, at one time general manager of Premier Gold Mines. Mr. Hill has been appointed vice-president, Robert Scharm, treasurer, and Thos. R. Deacon, barrister of Toronto, secretary.

Mr. MacLaren, in his report on the property, states that there are five fairly straight veins so far discovered. The shaft vein is 5 ft. 6 in. wide and the depth reached 100 feet. No. 2 vein, between 9 and 10 feet wide, dips slightly to the north, is gold bearing, assayed to about $5 and up per ton, and should produce gold in good quantity at 300 feet. In his opinion, No. 1 vein and the big north join below at a depth of 200 or 250 feet, where the big vein will be valuable.

No. 3 vein, south of the shaft vein, he says, is smaller in width, but assays in gold much better than its two neighbors, and he thinks it will widen and is sure to be a gold producing vein. It looks at present to be high grade and is easily reached.

No. 4 vein, the Mulholland, he says, is one mile long on this property. It is six feet wide and will have a great depth. No work has been done to any extent on this vein, except stripping, but it is a strongly persistent vein, assaying $6 and better.

No. 5 vein is not yet sufficiently stripped to show its real worth, but he believes it equal to the Mulholland in width and gold values.

"Although this is a particularly fine group of gold bearing veins. They can all be worked from the same shaft, all show great length and substantial width and carry gold which even at a fair depth would unquestionably prove real pay ore."

A certain portion of the property was leased, and the lessors, after installing a small test mill, recovered gold values of about $6,000 in six weeks. The ore milled yielded over $100 per ton.

"There is no doubt in my opinion," says Mr. MacLaren, "that this is a genuine gold-bearing property. The shaft sunk on this property was the first shaft sinking in the Porcupine Area, and everyone, myself included, has always felt positive that some day, under proper management it would be developed into one of the richest mines in Canada."

Canusa Mining and Exploration Co. is capitalized at 3,000,000 shares of $1 par value. Vendor stock covering the company's property purchased by the company in Porcupine and Red Lake amounts to 1,250,000 shares, and there remains 1,750,000 shares in the treasury. An initial block of 200,000 shares is to be publicly offered at 40 cents a share.

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I would appreciate some information on Rouyn Boischatel.

Rouyn Boischatel has not made much progress. At the moment, its position is not the most satisfactory.

Noranda

Is there any truth in the report that the Noranda smelter is being sold? Why is the stock selling so low?

There have been a great many ridiculous rumors in circulation regarding different Canadian mining companies and Noranda has been no exception. There is no foundation to the report that the smelter is being sold. There has been a recession in the mining market of late and Noranda has been affected by the general slump. The stock may be considered an attractive speculation for a long hold.

Noramer Rouyn Mines

Would you consider Noramer Rouyn Mines Syndicate a fair mark for investment?

Property of Noramer Rouyn Mines Syndicate has undergone very little development. It cannot be considered an investment. It is an out and out gamble. The prospectus fails to reveal an all-important fact, who is behind the syndicate, while some of the statements contained therein are open to question.

Three Good Stocks

I hold the following stocks: McIntyre at $26, Hudson Bay Mining and Smelting Co. at $20, and Mining Corporation at $4.27. What do you think of them? Do you think they will appreciate this year, or would you hold for two or three years?

McIntyre, and Mining Corporation are both producing mines. McIntyre is one of Canada's premier gold-producing mines. Mining Corporation has two silver properties in Cobalt and a third in South Lorrain. It also has a substantial holding in Hudson Bay Mining and Smelters stock. Hudson Bay Mining and Smelting Co. with Sherritt Gordon is the outstanding mining enterprise in Northern Manitoba. It has a proven ore body, and more ore is being brought into the picture as development work proceeds. We believe all three stocks will appreciate in value if held over a period of time.

Excellent Speculations

Please let me have your comments on the following stocks which I am holding:

Ankerite.
Premier.
Bush Consolidated.
Slocan Rambler.
Kootenay Florence.
Stadacona.
Laval.
Macdougall.
Macassa.

You have divided your eggs into numerous baskets. You have some excellent speculations and in a good market practically all of them should do much better.

George Copper

On the strength of what was said in your paper, I made a small purchase of George Copper some time ago, with fair results. I would like to know something about the company. What do you think of the stock at present levels?

George Copper has a capitalization of 1,500,000 shares of $1 par value each. Its property consists of 16 claims on the south side of the Bear River in the Portland Canal district. The property is under option to Consolidated Smelters. The latter company has sunk two diamond drill holes on the property and commercial ore has been struck at depth in each case. Well informed opinion has it that the future is being heavily discounted with the stock selling at its present price.

Bidgood

I would appreciate your giving me the names of the low-priced mines in Ontario and Quebec, which, in your opinion give greatest promise of considerable price enhancement. Is there any indication of any of these duplicating Sherritt-Gordon, Sudbury Basin, or Pend Oreille? If so which is the most likely prospect?

It is against our policy to give investment or speculation tips. A broker has selected the following low priced stocks as affording promise for a long hold: Bidgood, Howey, Barry Hollinger, in Ontario, and Amulet, Abana, Aldemac and Waite-Montgomery in Quebec.

Abba

Would you please give us some information on Abba Mines?

Abba Mines is a prospect only and does not seem to be setting the world afire.

Calumet and Melnor

Would you please give me your opinion of Calumet and Melnor.

Calumet and Melnor are to be considered more in the gamble than speculative class.

Big Missouri

I would appreciate anything you can tell me about Big Missouri.

Big Missouri is a rather good-looking B. C. operation. It is in the Portland Canal area, to the North of Bush Consolidated. It has been known for years to have possibilities but up to the present has never had a real testing out. It is now under option to Consolidated Smelters and our understanding is that Smelters will spend two million dollars on an exploratory and development program.

Wainwright Oil Fields

Would you be kind enough to give me your opinion on Wainwright Oil Fields.

Wainwright Oilfields does not seem to be making progress. There are some well sponsored gambles in the field that are selling at a fraction of this price.

British Canadian

Do you consider British Canadian Mines bought at 50 cents, a good hold, or would it be prudent to sell even at a loss if a purchaser could be found?

British Canadian Mines has not met with the success that the management expected from the early indications. They are still trying to find a mine on the deep levels.

Don Rouyn

I would appreciate any information you can give me on Don Rouyn and Hilltop Mines.

Don Rouyn is a gamble. The company has spent considerable money in exploration work, but so far has failed to locate any ore. Hilltop is also a gamble. It has recently installed a new mining plant and placed a capable manager in charge.

Sunloch Mines

Would you be good enough to give me some information regarding the Sunloch Mine.

Sunloch Mines is situated on the South of Vancouver Island. Extensive development carried on the property has disclosed a large tonnage of copper. The company is capitalized at 1,000,000 shares of $1 par value each, and is controlled by Consolidated Smelters. The present quotation of Sunloch stock greatly discounts the future.

Beaver Consolidated

Would you advise me selling or holding Beaver Consolidated? I have 1,000 shares.

Beaver Consolidated Silver Mines ceased operation some time ago. At the present time it is merely a holding company. The sole assets are 1,000,000 shares of Kirkland Lake Gold. Kirkland Lake Gold is a promising operation. It is milling about 160 tons of ore a day and recent reports are that the best ore seen in the mine for a long time has been struck.

Bunker-Hill

I should be glad if you would favor me of your opinion of Bunker Hill and Sullivan, Sherritt-Gordon, Mandy, Amulet and Noranda.

Bunker Hill-Sullivan is a U. S. company, one of the leading lead-zinc-silver mining and smelting companies in the world. It has been a continuous dividend payer since 1893. Its Canadian interests are centred in Treadwell-Yukon, in which it owns a half interest.

Noranda should prove an attractive purchase for a hold. Its smelter is now treating 420 tons of ore daily and by the end of the present year, the management expects a maximum of 1,500 tons will be reached.

Amulet is a Quebec copper proposition with a proven ore body.

Sherritt-Gordon, Hudson Bay, Mandy are proven mines that may be regarded as attractive speculations.

Wright-Hargreaves

Would you mind telling me whether you consider Wright-Hargreaves a safe buy. Is there anything wrong with Wright-Hargreaves itself?

Wright-Hargreaves looks attractive at the present price. At the recent annual meeting President Cabana said the future of the mine never looked brighter.

International Nickel

Would you please give me your opinion of International Nickel and Teck Hughes as mining investments? Are their future prospects bright?

We consider International Nickel and Teck Hughes two issues of merit for a long hold. We believe they will show a substantial appreciation over a term of years.

Astoria Rouyn

Have Astoria Rouyn shares been listed? I read in a daily paper that they were to have been listed last December.

Astoria Rouyn shares have not been listed. We believe that the last time the matter was under consideration the directors decided to leave the matter over for further consideration until the spring.

Old Colony Mines

Will you please give me what information you have on Old Colony Mines. Who are behind it? What do you think of its future?

Old Colony Mines property consists of 40 square miles adjoining American Mining and Smelting Co.'s holdings, Buchan Mines area, Red Lake mining district, Newfoundland. The company is sponsored by Stobie Forlong & Co., brokers, Toronto, in association with a number of prominent Canadian and United States mining men. Latest reports from the property are that of 100 diamond drill holes put down, 88 struck copper ore. Old Colony Mines may be considered a prospect with a promising future.

Duprat

I noticed that in answer to an inquiry about Rhyolite Mines in your paper, you stated that an announcement would soon be made regarding the deal Duprat negotiated, which you considered an attractive one for that company. Do you mean that this will be of benefit to Duprat or Rhyolite?

Duprat got a substantial block of shares of Rhyolite for its properties that went into the amalgamation. In addition the company has one or two other groups and proposes exploring these during the coming summer. Despite the critics, Duprat has tried quite consistently to try and open up an ore body, so far without success.

Howey

I would appreciate your opinion of buying Howey Units at prevailing prices, to average down on 2,500 Howey Gold bought at $1.60. I am thinking of converting 300 Lake Shore bought at $10 and placing the proceeds in the units expecting 400 shares per unit.

Have 400 shares of Bidgood bought at 80 cents. Do you think it a good hold for future development? I also hold Noranda, averaging $12. Should I hold it for higher prices?

Howey is a speculation while Lake Shore is a solid producer and dividend payer with large ore reserves so that we hesitate to approve of your idea that you should sell it to average down on Howey. We believe that Howey shares will give a good account of themselves when Manager Young issues his first report. We believe that the results will be better than expected.

Bidgood is doing excellently and is likely that news of the assays on the 400-ft. level will soon be available. This operation looks like a speculation to hold.

You have an excellent margin of safety on your Noranda shares. There are some who talk lower prices but this operation is a large and growing one that in the next year or so will give an excellent account of itself.

Douglas A. Mutch
CONSULTING
MINING ENGINEER
Examinations Reports
HAILEYBURY ONTARIO

BRITISH COLUMBIA MINES
Our semi-monthly Market Report known as "Irwin Information" mailed to any address in Canada. Write for it.
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W. F. IRWIN CO., LIMITED
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Macaulay Nicolls Maitland Building
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Seek Counsel!

OWING to the increasing activity of British Columbia and North West mining stocks, the mails are crowded with promotion material, some bonafide, some spurious. The investor will find it somewhat difficult to differentiate. Seek counsel! Before you invest, investigate! Miller, Court & Co. Limited, with many years' practical experience, can assist you and help you select an investment best suited to your purpose.

Send for our Monthly Stock and Bond Report

Miller, Court & Co. Limited
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The trail blazer to low-cost ore grinding—the MARCY BALL MILL

Reasons:

The ball charge expends its energy on unground material.
Maintains a low pulp line, with constant discharge of ground material at the periphery.
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High in capacity and low in power cost.

All ten sizes of Marcy Ball Mills have these economical features.

Mills for all mining industries, from the largest to the smallest.

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Ask any Marcy operator. The mills are in use at Premier, Kennecott, Duthie, Canadian Consolidated, International Nickel and other plants in Canada. There are hundreds of important installations in all countries.

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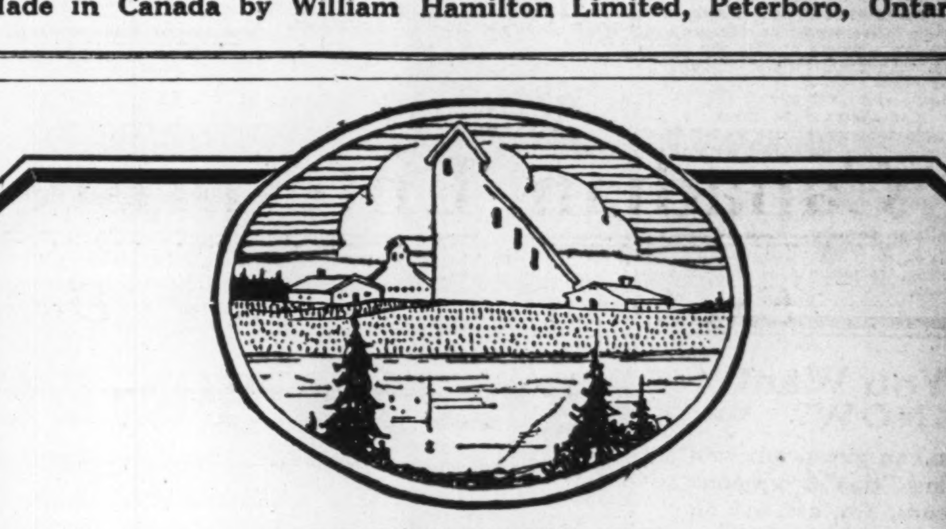

GEM LAKE DEVELOPMENT STARTED

SUPPLIES, including machinery and compressors, are now on the property and a crew of thirty men are en route to begin development.

With 2,600 acres in the Central Manitoba area, a sum of $141,000 already spent in the acquisition of the properties and on surface development, with present financing placing the properties free of encumbrance and putting $350,000 cash in the treasury, and with a mineralized zone opened up for about 1,000 feet in length and 150 feet in width, Gem Lake Mines is an attractive speculation.

Douglas G. H. Wright, consulting engineer, in his report on the properties, writes: "The Gem Lake property is one, if not the most outstanding prospect in the non-producing stage in the Central Manitoba Gold area."

"A limited number of the shares of Gem Lake Mines Limited are being offered for public subscription. As President of the Company I wish to state that a syndicate composed of myself and friends have purchased a substantial number of these shares and, while they are offered as a mining speculation of merit, I can assure the investing public, on behalf of myself and the directors, that an honest and sincere effort will be made to bring the property to production."

President

Now Being Offered at 40c a Share

On completion of present offering, application will be made to trade in these shares on Standard Stock and Mining Exchange

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GEM LAKE MINES LIMITED

MINING PROMOTION
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We recommend first issue of Mohawk Mining Company Shares as a profitable investment

VIKING FINANCE LIMITED
Sponsoring B. C. Mining Issues of Merit.

All Company securities are offered by this firm only after examination of properties by our staff engineers.

Phone—Seymour 3411
Edward G. Brown, Managing Director
912-914 Birks Bldg., Vancouver, B.C.

Gem Lake Mines
offer an opportunity of sharing in the attractive speculative possibilities of a prospect of merit, well financed and backed by strong financial interests, assuring rapid and energetic development.

Price 40c Per Share
Adelaide 6357-8-9

A. D. McMillan & Co.
MINING STOCK BROKERS
48 Yonge Street - Toronto

NORANDA'S ORE RUNS $27,000,000 ABOVE 300 FEET

Commercial Ore Bodies Proven Below That Level

Noranda Mines Limited's indicated tonnage above the 300 foot level is estimated to amount to 1,198,375, of a gross value of $27,474,475 as of Jan. 1, 1928, according to the annual report of the company that has just been released.

The value is determined on the basis of copper at 13 cents a pound.

No estimate is made of ore below the 300 foot level as it is stated the amount of driving and drilling below this level was not sufficient to determine the size of the ore bodies encountered. The stage of development on the 400 and 500 foot levels is said to be the same as it was on the 300 foot level two years ago.

Diamond drilling already done on the 700 and 800 foot levels shows commercial ore bodies to exist there.

Strong Liquid Position

The company's consolidated balance sheet shows $961,713.16 of cash on hand, and on deposit, and total current assets of $1,053,563.24. Deferred assets amount to $819,083.48; capital expenditure, $8,292,233.75; accounts receivable, $9,256.13; shares in other companies, $1,675,302.19; organization expenses, $27,505.22; prospecting, exploration and office expenses, $270,497.74, and accrued sinking fund charge, $15,070.

Current liabilities total $234,565.41. Seven per cent. mortgage sinking fund gold bonds outstanding total $3,000,000, and deferred credit, $119,117.64. Capital stock issues is shown at $2,168,566, and capital surplus at $6,640,442.70.

During the year a number of properties were examined, but all options taken were eventually surrendered. The general superintendent reported against further expenditures on the properties of Plata Mines, Limited, and Keweenaw Silver Mines, Limited.

In December the company brought the first 500 ton unit of the 1,000 ton smelter into production. Also during 1927 the company secured a majority interest in the Waite-Ackerman-Montgomery and Aldermac properties, and now holds more than eighty per cent. and sixty per cent. respectively of these two companies. Since the previous annual report ownership of the shares had changed, resulting in a majority of the issued stock being registered in the name of Canadian shareholders. Four of the original directors resigned and were replaced by directors resident in Canada. The New York office had been closed and the general offices had been moved to Toronto.

Regal Bakeries Earnings Show Substantial Gains

Regal Bakeries, formerly known as the Hilton Bakery, reports substantial increases in earnings over the past several months. For a five-month period ended with February, earnings are stated to have increased some 126 per cent. In view of the fact that the original company operated successfully for some twenty-nine years, this increase is all the more notable.

Federal Shares Listed

MONTREAL.—The shares of the Federal Distillery have been listed and made their first appearance on the Montreal Curb Market this week. The company operates a small plant in Montreal.

Cambro Finds 2 New Veins

Cambro Kirkland has uncovered two veins on its claim No. 7407 from which values running up to $42 have been obtained, and on another claim on the shore of Mud Lake values running from $13 to $15 have been secured, according to a statement just issued by the company to shareholders.

Cash on hand as at Dec. 31, 1927, amounted to $161,315. The report further states that since incorporation last November all necessary camp buildings have been constructed, hoisting and sinking equipment for sinking to 1,000 feet installed, and a telephone line brought in to the property. The shaft has been commenced on claim 3095 north of Mud Lake and rapid progress is being made in sinking.

SHREDDED WHEAT GAIN GROWS $141,000

Net Earnings for 1927 Are $1,610,548 After Depreciation and Tax

As was predicted in The Financial Post, earnings of Shredded Wheat Co. and subsidiaries in 1927 were moderately in advance of the earnings for 1926. The actual gain is $141,642 to a total of $1,610,548 after depreciation and taxes. The dividends of 75 cents quarterly on 400,000 shares are continuing.

The profit and loss account for the last two years follows:

INCOME STATEMENT

	1926	1927
Gross income	$1,945,493	$2,173,723
Depreciation	222,799	238,233
Taxes	253,787	324,841
Net income	$1,468,906	$1,610,548
Surplus	1,751,316	1,570,222
Forward	$3,220,222	$3,180,770
Dividends	1,150,000	1,201,500
Goodwill written off	500,000	......
Reserve	......	40,000
Balance	$1,570,222	$1,939,270

Canadian Goodrich Co. Reports Earnings of $413,207

The annual report of the Canadian Goodrich Co. shows trading profit for year of $413,207 and net profits after depreciation, interest on loans and taxes, of $143,918 or more than $2.04 on the 70,412 shares of no par common stock. Current assets now stand at $2,200,462 and current liabilities at only $730,283, compared with $1,771,609 and $1,030,555 respectively at end of 1926. Total assets are up from $3,590,254 to $3,986,188.

EXECUTORS, TRUSTEES, ADMINISTRATORS

Guardians, Transfer Agents, Bond Mortgage Trustees

Savings Department
Real Estate Department

CHARTERED TRUST & Executor Company

46 King St. W., Toronto

PRESSED METALS PROFITS INCREASE

Satisfactory Gains by Improved Manufacturing Despite Adverse Conditions

The annual report of Pressed Metals of America shows substantial gain in profits and betterment of financial position. Operating profit amounted to $166,178, against $127,587 in previous year, and this was accomplished through manufacturing improvements and despite lower selling prices obtaining. Total assets are now $2,770,776 up from $2,703,996, with quick assets increased from $277,699 to $426,011, while current liabilities are only $24,116 up from $16,456. Some $43,494 has been added to depreciation reserve, and balance forward is $184,939 against $145,757.

Comparison of chief items of balance sheet follows:

Assets	1927	1926
Cash	$ 64,500	$ 36,172
Short-time secur..	49,226	81,810
Accounts Rec.	31,235	25,953
Seasoned land contracts	145,669	85,586
Inventories—		
New metals	95,305	13,504
Product	33,005	28,790
Supplies	6,390	5,824
Total active assets	426,012	277,699
Fixed assets	353,942	382,525
Deferred	1,990,823	2,043,772
Liabilities		
Current liabilities	24,116	16,456
Preferred	319,500	319,500
Common	2,213,100	2,213,100

Royal Securities Re-open London, Eng., Branch Office

Announcement is made by the Royal Securities Corporation that it has reopened its office in London, England, as from March 1.

For four years prior to the war Royal Securities was very active on the London market, being identified with the original distribution in Great Britain of the securities of Price Bros. Steel of Canada, Canadian Car and Foundry, Calgary Power, Western Canada Power, Alberta Pacific Grain and other well known Canadian companies. The new office is located at 8 King William Street, E.C. 4, and is under the management of D. C. Jennings.

The Royal Securities organization now includes at least one office in every province of Canada, as well as in Newfoundland, New York and London.

CARR. FACTORIES MAKE REPAYMENT

Preferred Shareholders Will Likely Receive $5 Per Share

Preferred shareholders of Carriage Factories, Ltd., probably will receive $5 per share soon by way of repayment of capital. The company has about $60,000 on hand for which there is no present use. It was expected that there would be a 15 per cent. distribution, but a deal whereby a Scottish syndicate would use the large factory at Orillia for preparing hardwood for market has not developed.

The company has no liabilities and, besides the $60,000, has in its treasury $73,300 of the 6 per cent. bonds of the Canada Carriage & Body Co., $97,500 of preferred stock and 1,000 shares of common stock of that company. The common stock has only nominal value. The Orillia plant is free of all encumbrance and there are sundry other assets worth between $6,000 and $8,000.

Tenants using part of the large plant at Orillia are about the only sources of revenue.

WESTERN GROCERS INCOME INCREASED

Substantial Addition Made to Surplus Account in Year

WINNIPEG.—Western Grocers Limited, fifteenth annual report shows earnings of $162,140, against $155,252 in 1926. After setting aside $24,164 for depreciation against $21,332 in previous year, and paying dividends on both preferred and common shares, the company's surplus account was increased from $246,596 to $264,010. Both current assets and current liabilities were lower, standing at $3,358,470 and $1,847,901 respectively, against $3,506,064 and $2,013,889.

THE B. GREENING WIRE Co., Limited

Preference Dividend No. 19

Notice is hereby given that a quarterly dividend of one and three-quarters per cent. on the Preferred Shares of the Company has been declared payable April 1, 1928, to shareholders of record March 15, 1928.

F. J. MAW,
Secretary.

Hamilton, Ont., March 13, 1928.

EXECUTIVE WANTED

A substantial Canadian Company, manufacturing three well-distributed, nationally-advertised lines, will consider applications for the position of General Sales Manager.

Applicants must have a record of successful selling experience. Further, it is desirable that applicants should have some executive and organizing experience. The man we are seeking is doubtless holding an important position at the present time.

Full particulars should be submitted and only those who submit them in detail will be considered. Communications will be regarded as strictly confidential.

Address: Box 104, The Financial Post, Toronto, Ont.

Canadian Locomotive Company, Limited

Dividend No. 65

Notice is hereby given that quarterly dividend of one and three-quarters per cent. on the Preferred Stock was declared payable April 1, 1928, to shareholders of record March 20, 1928.

By order of the Board.

G. W. DALY,
Secretary.

Kingston, Ont., March 9, 1928.

Economic Investment Trust Limited

The Board of Directors have declared a dividend of two per cent. on the capital stock of this Company for the half year ending the 31st March, 1928, payable on April 2nd, 1928, to shareholders of record at the close of business March 20th, 1928. Transfer books will not be closed.

C. J. HUNTER,
Secretary.

Conduits Company Limited

Notice of Dividend

Notice is hereby given that the regular quarterly dividend of one and three-quarters per cent. on the Seven Per Cent. Cumulative Sinking Fund Preference Shares of this Company has been declared and will be paid on the first day of April, 1928, to shareholders of record at the close of business on March 17, 1928.

The transfer books will be closed from March 19th to March 31st, inclusive.

R. HAMILTON HALL,
Secretary.

UNDER THE MANAGEMENT OF
POWER CORPORATION OF CANADA
LIMITED

Canada Northern Power Corporation, Limited

Preferred Dividend No. 13

NOTICE is hereby given that a Dividend of 1¾% (being at the rate of 7% per annum) has been declared on the 7% Cumulative Preferred Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending March 31st, 1928, payable April 16th, 1928, to shareholders of record at the close of business March 31st, 1928.

By order of the Board,
L. C. HASKELL, Secretary.

February 24th, 1928.

DIVIDEND NOTICE

"Service Station Equipment Company Limited"

Notice is hereby given that a Dividend of 40c. per share, for the quarter ending the 31st day of March, 1928, has been declared on the Class "A" no par Shares of the Company.

The above dividend is payable on the second of April, 1928, to Shareholders of record at the close of business, March 22, 1928.

F. J. MAYO,
Asst. Secretary.

CANADIAN PACIFIC RAILWAY COMPANY

Dividend Notice

At a meeting of the Board of Directors held to-day the following dividends were declared:

On the Preference Stock, two per cent. for the half-year ended 31st December last;

On the Common Stock, two and one-half per cent. for the quarter ended 31st December last, from railway revenues and Special Income;

Both dividends are payable 31st March next to Stockholders of record at three p.m. on 1st March next.

By order of the Board,

ERNEST ALEXANDER,
Secretary.

Montreal, 13th February, 1928.

PREFERRED DIVIDEND
No. 3

Diversified Standard Securities, Limited

NOTICE is hereby given that a dividend of two per cent. (2%) on the fully paid-up Preference Shares, for the quarter ending March 31st, 1928, and being at the rate of eight per cent. (8%) per annum, for the time so paid-up, for the current quarter, has been declared payable April 2nd, 1928, to holders of record, March 31st, 1928.

By order of the Board,

A. G. TIERNEY,
Secretary.

Montreal, March 12th, 1928.

Notice

To the Shareholders of

INTERNATIONAL HOLDING AND INVESTMENT COMPANY, LIMITED

NOTICE is hereby given that at a Meeting of the Board of Directors of the Company held on the 3rd of March, 1928, the following resolutions were adopted:

"That a dividend be and the same is hereby declared payable to all holders of preferred stock of the Company of record on the 1st day of April, 1928, payable on the 16th day of April, 1928, the said dividend to amount to a sum which shall be equivalent to interest at the rate of six per cent. (6%) per annum, accrued as regards 38,937 preferred shares allotted to the liquidator of The International Holdings & Investment Company, Limited, or his nominees, as from the date of the said allotment, namely the 10th of September, 1927, and accrued as regards all other preferred shares of the Company as from the respective dates of payment by the subscribers thereof to this Company of the price of the subscription of the said shares until and inclusive of the 16th day of April, 1928;

"That a dividend of $1.25 per share be and the same is hereby declared on the common stock of the Company payable to all holders of common stock of the Company of record on the 1st of April, 1928, the said dividend to be payable on the 16th of April, 1928;

"That all of the preferred shares of the Company be redeemed by the Company on the 16th of April, 1928, at $100 per share, the said price of redemption to be paid at the office of The J. Henry Schroder Banking Corporation, 27 Pine Street, in the City of New York, U.S.A., at the equivalent in dollars of the United States of the sum of $100 Canadian funds, or at the office of Messrs. J. Henry Schroder & Co., 145 Leadenhall Street, in the City of London, England, at the equivalent in pounds sterling of the sum of $100 Canadian funds, or at the office of Messrs. Henri Wauters & Co., 26 Boulevard Bischoffsheim, in the City of Brussels, Belgium, at the equivalent in Belgian francs of the sum of $100 Canadian funds, in each case calculated at the selling rate of exchange for demand drafts on Montreal, which shall prevail on the said 16th of April, 1928."

DATED at Montreal, this 12th day of March, 1928.

W. P. CREAGH,
Assistant Secretary,

International Holding and Investment Company, Limited
Room 716, Canadian Pacific Express Building, Montreal

The Dominion Bank

Notice is hereby given that a Dividend of three per cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 31st March, 1928, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Monday, the 2nd day of April, 1928, to shareholders of record of the 20th March, 1928.

By Order of the Board.

C. A. BOGERT,
General Manager.

23rd February, 1928.

EXECUTIVE

Qualified Young Man (33) Seeks Managerial Position

Has a successful record covering 15 years with industrial concerns. Having competently filled several executive positions and now serving as Treasurer and Assistant to the General Manager of a large corporation. Has an unblemished character, is tenacious, aggressive, well poised and enjoys good health.

For appointment, write

Box M — Room 902

1070 Bleury Street, Montreal

The
International Nickel Company
(Incorporated)

NOTICE OF ANNUAL MEETING

Notice is hereby given that the Annual Meeting of the Stockholders of The International Nickel Company will be held at the office of the Company, at Oak Street, Bayonne, New Jersey, on Tuesday, March 20, 1928, at eleven o'clock in the forenoon, for the following purposes: (1) to elect five directors to hold office for three years, (2) to consider and vote upon a proposal to approve, confirm, ratify and adopt all contracts, transactions, acts or proceedings of the Company or of the Board of Directors, Executive Committee or officers of the Company since the last Annual Meeting of Stockholders, including the amendment by the Board of Directors of Section 4 of Article V. of the By-Laws so as to authorize the Board of Directors to fix record dates for the payment of dividends and for other purposes, and (3) to transact such other business as may come before the meeting.

By order of the Board of Directors.

JAMES L. ASHLEY, Secretary.

Bayonne, New Jersey, January 21, 1928.

NATIONAL GROCERS COMPANY LIMITED
TORONTO

DIVIDEND NO. 10

Notice is hereby given that a Dividend of Two per cent., being at the rate of Eight per cent. per annum, upon the First Preference Stock of this Company has been declared, payable April 2nd, 1928, for quarter ending March 31st, 1928, to Shareholders of record at the close of business March 15th, 1928, and that the transfer books of the Company will be closed as to the transfer of First Preference Shares on the 16th day of March, 1928, to the 31st day of March, 1928, both days inclusive.

By order of the Board of Directors.

T. H. KINNEAR,
Secretary-Treasurer.

CANADA STEAMSHIP LINES, LTD.

Dividend Notice

Notice is hereby given that a Dividend of One and One-half per cent. (1½%) on the Six Per Cent. Cumulative Preference shares of the Company has been declared for the Quarter ending March 31, 1928, payable on April 2, 1928, to shareholders of record at the close of business on March 15, 1928.

By order of the Board.

R. BROCK THOMSON,
Secretary.

Montreal, March 7, 1928.

Canadian Car & Foundry Company, Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) on the paid up Preference Stock of the Company for the quarter ending March 31st, 1928, has been declared, payable on the 10th day of April, 1928, to Shareholders of record on the 26th day of March, 1928.

By order of the Board,

A. C. BOURNE,
Secretary.

Montreal, March 8th, 1928.

ABITIBI POWER & PAPER COMPANY LIMITED

Dividend Notice

Notice is hereby given that a quarterly dividend of 1¾% per cent. has been declared on the outstanding Seven Per cent. Cumulative Preferred Stock of the Abitibi Power & Paper Company Limited, payable the 2nd day of April, 1928, to shareholders of record at the close of business the 20th day of March, 1928.

By Order of the Board.

W. H. SMITH, Secretary-Treasurer.

The Wabasso Cotton Company, Limited

DIVIDEND NO. 41 AND BONUS

Notice is hereby given that a Dividend of One Dollar per share on the Capital Stock of the Company has been declared for the quarter ending 31st March, 1928, also a bonus of Fifty Cents per share payable on the 2nd day of April, 1928, to shareholders of record as at the close of business on the 15th March, 1928.

By order of the Board.

JAS. R. RITCHIE,
Secretary-Treasurer.

Montreal Que., February 9th, 1928.

The
Toronto General Trusts Corporation

DIVIDEND NO. 127

NOTICE is hereby given that a dividend of three per cent. (3%) has been declared upon the paid-up capital stock of this Corporation for the quarter ending March 31st, 1928, being at the rate of

TWELVE PER CENT. PER ANNUM

and that the same will be payable on and after Monday, the second day of April, 1928. The Transfer Books of the Corporation will be closed from Wednesday, the 21st day of March, until Saturday, the 31st day of March, both days inclusive.

By order of the Board of Directors.

W. G. WATSON,
General Manager.

Toronto, March 6th, 1928.

Montreal Tramways Company

ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of the Montreal Tramways Company will be held at the Company's Offices, Tramways Building, 78 Craig Street West, Montreal, at 12 o'clock noon, on Thursday, the 29th day of March, 1928, for the reception of the Report for the fiscal year ended December 31st, 1927, Election of Directors, and the transaction of such other business as may legally come before said meeting.

The Transfer Books will be closed from the 9th to the 28th day of March, both days inclusive.

By order of the Board.

PATRICK DUBEE,
Secretary.

February 20th, 1928.

The Sherwin-Williams Co. of Canada
LIMITED

NOTICE is hereby given that the thirtieth quarterly dividend of one and a half per cent. (1½%) for quarter ending February 29th, 1928, on the Common Stock of the Company, has been declared payable to shareholders of record the 15th day of March, 1928, and that cheques will be mailed on March 31, 1928.

Books not closed.

By order of the Board,

D. A. WHITTAKER,
Vice-Pres. & Sec'y-Treas.

Montreal, Que., February 29th, 1928.

The Sherwin-Williams Co. of Canada
LIMITED

NOTICE is hereby given that the sixty-seventh quarterly dividend of one and three-quarters per cent. (1¾%), being at the rate of seven per cent. (7%) per annum for quarter ending February 29th, 1928, on the Preferred Stock of the Company has been declared payable to shareholders of record the 15th day of March, 1928, and that cheques will be mailed March 31st, 1928.

Books not closed.

By order of the Board,

D. A. WHITTAKER,
Vice-Pres. & Sec'y-Treas.

Montreal, Que., February 29th, 1928.

WANTED — Inspector to operate in Saskatchewan and Manitoba for a prominent British Fire Insurance office. State experience and salary expected. Box 100, The Financial Post, 153 University Ave., Toronto.

City of Regina
Saskatchewan

$251,000.00 4½% Debentures
$ 50,000.00 5% Debentures

Sealed Tenders marked "Tenders for Debentures" will be received in the Office of the City Commissioners, City Hall, Regina, Sask., up to Eleven o'clock A.M., Tuesday, March 20th, 1928, for the purchase of the following 4½% and 5% Sinking Fund Debentures, Regina payment and delivery.

Purpose	Amount	Term	Rate	Dated
Local Improvements—				
Pavements	$176,000	15 years	4½%	Feb. 1, 1928
Concrete Walks	34,600	15 "	4½%	"
Domestic Sewers	24,500	30 "	4½%	"
Watermains	15,900	30 "	4½%	"
	$251,000			
General Hospital Extension.	$ 50,000	30 years	5%	Jan. 1, 1928

Alternative bids are requested on the basis of:—

1. Both principal and interest payable in currency in New York, Montreal, Toronto, Winnipeg and Regina, at holder's option.
2. Both principal and interest payable in Montreal, Toronto, Winnipeg and Regina, in Canadian currency.

Tenders may be for the whole or any part of the issue.

Immediate acceptance will mean acceptance within twenty-four hours.

The debentures are a direct obligation of the City at large, and are issued in coupon form with interest payable semi-annually and principal at date of maturity.

Provision is made for the registration of principal only.

The right is reserved to reject any or all tenders.

Further information will be furnished on application.

D. D. ROSS,
City Treasurer.

OTTAWA LIGHT HEAT & POWER COMPANY, LIMITED

DIVIDENDS

NOTICE is hereby given that the usual dividends have been declared for quarter ending March 31, 1928, payable to Shareholders of record March 15th, as follows:

PREFERRED STOCK: 1⅝% (being at the rate of 6½% per annum), payable April 1st, 1928.

COMMON STOCK: 1½% (being at the rate of 6% per annum), payable March 31st, 1928.

The transfer books will not be closed.

By Order.

F. W. FEE,
Secy.-Treas.

Ottawa, March 9th, 1928.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on October 1st, 1955, will be redeemed by the Company pursuant to the terms of the said Deeds, on the First day of April, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on April 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on April 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.

(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "E" Five Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.

(Sgd.) JAMES WILSON,
Secretary.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water and Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on April 1st, 1954, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of April 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on April 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on April 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY,

(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "D" Five and One-Half Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY,

(Sgd.) JAMES WILSON,
Secretary.

THE TORONTO MORTGAGE COMPANY

QUARTERLY DIVIDEND

NOTICE is hereby given that a Dividend of Three per cent., being at the rate of Twelve per cent. per annum, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

1st April, 1928,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,

WALTER GILLESPIE,
Manager.

To the Holders of the
TWENTY-YEAR GENERAL MORTGAGE GOLD BONDS, Series "A", of

The Spanish River Pulp and Paper Mills, Limited

secured by Deed of Trust and Mortgage dated March 1st, 1921, made between The Spanish River Pulp and Paper Mills, Limited, of the First Part, and Montreal Trust Company as Trustee, of the Second Part:

NOTICE IS HEREBY GIVEN that The Spanish River Pulp and Paper Mills, Limited, will, in accordance with the provisions of the Deed of Trust and Mortgage above mentioned, redeem on the first day of May, 1928, at the office of the Trustee, Montreal Trust Company, 61 Yonge Street, in the City of Toronto, Canada, all the Twenty-Year General Mortgage Gold Bonds, Series "A", secured under said Deed of Trust and Mortgage, and now outstanding, by payment to the Holders thereof, upon presentation and surrender of their respective bonds, of the principal amount thereof with a premium of Six (6) per centum thereon and interest accrued to said date of redemption.

Holders of said Bonds are hereby required to present their Bonds with all unmatured coupons, including coupon number 15, due May 1st, 1928, attached thereto, at the office of said Trustee in Toronto for redemption on said 1st day of May, 1928, after which said date interest on the bonds will cease to accrue.

Dated at Toronto, the twenty-second day of February, A.D. 1928.

THE SPANISH RIVER PULP AND PAPER MILLS, LIMITED,

By order of the Board.

G. H. MEAD,
President.

J. G. GIBSON,
Secretary.

1-M.26

Canadian Enterprises Limited

Exploration - Finance - Development

OFFICIALS OF THE COMPANY

PRESIDENT
FREDERICK B. BROWN, M.Sc.
Montreal
Mr. Brown is one of Canada's well-known Consulting Engineers.

VICE-PRESIDENT
THOMAS J. COULTER, C.A.
Montreal
Mr. Coulter is head of Coulter & Jones, Chartered Accountants and Auditors.

ENGINEER-IN-CHARGE
WILLIAM T. MAY, B.Sc., M.E.
Montreal
Mr. May, McGill Graduate, is an outstanding Mining Engineer and Operator.

DIRECTOR
FREDERICK D. BURPEE
Ottawa, Ont.
Mr. Burpee is Vice-President and Manager, Ottawa Electric Railway Company.

GENERAL MANAGER
E. S. TURNER
Montreal
Mr. Turner has had a successful experience in organization and finance.

SALES MANAGER
J. McAMMOND WOOD
Montreal
Mr. Wood was for over 9 years associated with the Bank of Montreal.

FIELD MANAGER
E. J. THOMPSON
New Liskeard, Ont.
"Jim" Thompson is one of the most successful pioneers and prospectors in Canada. He discovered and is Vice-President of, the well-known Thompson Cadillac.

MINING COUNSEL
EDWARD S. GORDON
Toronto
Mr. Gordon has been connected with gold mining in South Africa and Canada for over twenty-five years.

FIELD MANAGER
CHAS. W. DALBY, M.E.
Orillia, Ont.
Mr. Dalby is a Miner and Engineer with years of experience.

ASSISTANT TO MR. MAY
ROBT. E. FINDLAY, B.Sc., M.E.
Montreal
Mr. Findlay, McGill Graduate, is a young man with splendid technical knowledge.

SECRETARY-TREASURER
M. C. B. Turner, Montreal

BANKERS
The Bank of Toronto

AUDITORS
Coulter & Jones, Montreal

SOLICITORS
Brown, Montgomery & McMichael

Canadian Enterprises Limited are developers more particularly associated with our Natural Resources. Our operations are extensive, and success is attending the work being done by us. We are cautiously and intelligently accumulating knowledge pertaining to Canada's mineralized areas, and if you think that knowledge may be useful to you, we will pass it on.

Executive Offices

KEEFER BUILDING : : MONTREAL

Barcelona Traction

Common Has Become Dividend Payer in Last Year — — Monthly Reports Indicate Continued Betterment Throughout 1927

Barcelona Traction, Light & Power Co. was incorporated in 1912 for the purpose of serving Barcelona on the Mediterranean coast of Spain and surrounding territories in which there is a large market for electric light and power. The company, through subsidiaries, controls traction lines in Barcelona and sells power for industrial and other purposes in several hundred communities within 160 miles of Barcelona. The population of Barcelona is about 1,200,000 and the population of the exterior districts is about 1,100,000.

The company is one of those enterprises which suffered greatly during the war and in the deflation period following. There was a reorganization of the company in 1924, which reduced the fixed charges and otherwise lightened the capital load. The expected rehabilitation of the company was retarded greatly by the political disturbances in Spain a year or two ago, but the quasi-military regime in the country has had a noteworthy stabilizing effect with the result that the finances of the company now are sound and earnings continue to show a great increase.

This increase can be no more strikingly demonstrated than by comparing the earnings for 1924 with the earnings for 1926. In 1924 the net profits, after interest charges and general expenses, totaled only $74,672, whereas in 1926 net profits, after interest and general expenses, totaled $1,783,882. While the report for 1927 will not be available until May, the monthly reports of earnings indicate a continued betterment. Each month has seen an increase in gross earnings, a decrease in operating expenses and a consequent greater increase in net earnings. The aggregate net increase from Jan. 1st, 1927, to the end of November was 3,899,066 pesetas.

Exchange is Factor

The earnings of the company in dollars are further affected, of course, by the exchange situation. However, in the last two or three years a stable government in Spain has been a primary factor in establishing a rate of exchange which does not fluctuate widely. The last year was notable also in establishing the common stock as a dividend payer. The first payment of 1 per cent. on the $50 par stock was moderate, but there is reason to believe that the rate will be continued and even increased. The preferred stock since 1924 has been participating with the common after the preferred receives 7 per cent., so that the preferred stock last year received 8 per cent. The preferred stock, however, is non-cumulative.

There is a growing demand for electricity in Barcelona and other territories served by the company, but earnings of the tramways system are reported to be stationary.

The stock of this company is owned in Canada and Great Britain, and in Belgium through the investment house of Captain Alfred Loewenstein. Bonds are held mostly in England and in Spain.

Capitalization—

	Authorized	Outstanding
Common .... Par $50	$15,000,000	$14,362,500
Pref. 7 per cent. non-cumulative Par $100.	30,000,000	25,193,400
Shares of controlled companies in hands of public at par		$ 14,405

Funded Debt—

Cons. prior lien 6½ per cent. bonds, due 1965	$13,626,667
7% 30-yr. bonds due 1951	7,654,764
1st mtge. 5½% bonds due 1974	9,615,949
Outstanding bond issue of con. companies	35,426,637

Dividend Record—

Pref. 7 per cent. per annum, payable quarterly, Mar., June, Sept. and Dec. 31. Initial dividend of 1 per cent. paid Mar., 1925; 1 per cent. June, 1925; 1½ per cent. each Sept. and Dec., 1925; 1¾ per cent. Mar., 1926, and quarterly thereafter; an extra 1 per cent. paid June, 1927, and Feb., 1928, corresponding with the 1 per cent. paid on common stock. On common 1 per cent. (50c. a share) paid June, 1927, and Feb., 1928.

Officers and Directors—

F. F. Lawton, president; H. Malcolm Hubbard, chairman; R. C. Brown, vice-pres., Miller Lash, vice-pres.; Marques de Alella, H, Speciael, Domingo Sert, Condo de Torroella de Montgri, E. R. Wood, D. N. Heineman, C. D. Magee, J. H. Plummer, Alfred Loewenstein, E. R. Peacock, Maurice Bauwens, R. H. Merry, sec.-treas, W. D. Hooper, J. S. Holmsted, asst. sec.

Market Record—

Calendar Year	Common High	Common Low
1912	..	..
1913	41	25⅛
1914	35⅛	15½
1915	12¾	7¼
1916	17	8½
1917	14¼	8¼
1918	15½	8¾
1919	13¼	5¾
1920	9¾	3¼
1921	5⅞	3
1922	15⅞	3¼
1923	22	12½
1924	23	12⅞
1925	30	18¼
1926	40½	26
1927	68⅛	33½
1928*	62	60

*To Feb. 25.

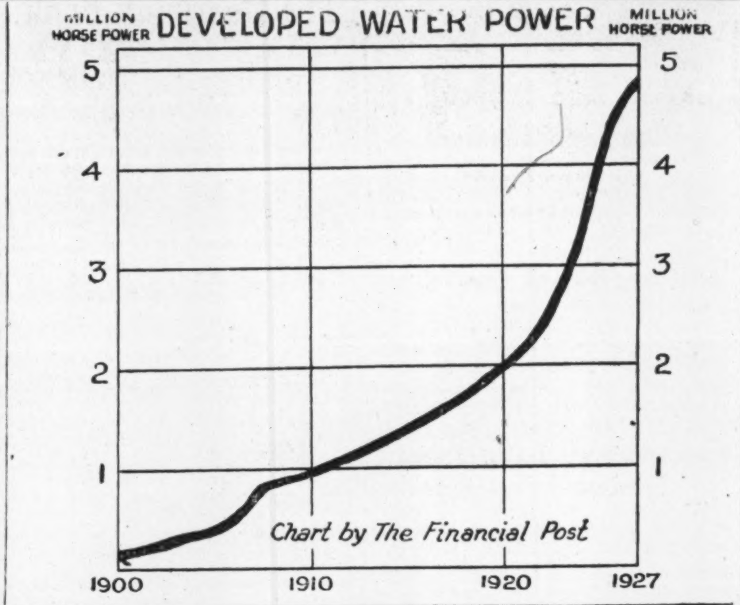
INCOME AND SURPLUS ACCOUNT, YEARS ENDING DECEMBER 31

	1926 $	1925 $	1924 $	1923 $	1922 $	1921 $
Gross Revenue	4,030,090	3,678,233	2,999,287	2,726,973	2,575,466	2,065,537
Less: Bond Interest	2,049,447	2,233,985	2,419,088	2,366,936	2,212,139	2,061,473
Re-organization Exp.	......	47,019	342,174	......	197,976	......
General Expenses	196,759	149,134	163,353	154,476	142,265	160,936
Res. for Bond Interest...	......	......	......	183,576	......	......
	2,246,206	2,430,138	2,924,615	2,704,988	2,552,380	2,222,409
Net Profits	1,783,884	1,248,095	74,672	21,985	23,086	x156,872
Less Appropriations—						
Pref. Dividends	1,729,509	1,162,445	......	......	......	......
Surplus for year	54,375	85,650	74,672	21,985	23,086	x156,872
Add Previous Surplus	160,322	74,672	......	......	......	......
Bal. Carried Forward	214,697	160,322	74,672	21,985	23,086	x156,872

x—Deficit.

GROSS AND NET EARNINGS FOR 1926 AND 1927

	Gross 1926 Pesetas	Gross 1927 Pesetas	Expenses 1926 Pesetas	Expenses 1927 Pesetas	Net 1926 Pesetas	Net 1927 Pesetas
January	8,111,951	8,104,130	2,236,039	2,172,829	5,875,912	5,931,301
February	7,554,672	7,886,258	2,237,834	2,100,612	5,316,838	5,785,646
March	7,336,288	7,464,489	2,271,989	2,206,726	5,064,299	5,257,763
April	6,905,343	7,058,939	2,221,705	2,049,891	4,683,638	5,009,048
May	6,574,742	6,806,944	2,334,167	2,117,279	4,240,575	4,689,665
June	6,252,734	6,452,867	2,249,847	2,159,400	4,002,887	4,293,467
July	6,274,181	6,508,460	2,310,113	2,224,018	3,964,068	4,284,442
August	6,334,383	6,638,329	2,240,029	2,234,199	4,094,354	4,404,130
September	6,393,793	6,914,893	2,206,131	2,233,931	4,187,662	4,680,962
October	6,805,071	7,187,589	2,317,123	2,306,957	4,487,948	4,880,632
November	7,502,837	7,943,625	2,418,513	2,296,638	5,084,324	5,646,987
December	8,140,504	8,329,938	2,363,865	2,397,736	5,776,639	5,932,202



Northern Mexico Power

At the end of 1927, Northern Mexico Power and Development Co. was developing about 24,000 horsepower in the Province of Chihuahua. It is reported that the company obtains a very good price for its power because of high cost of competing fuels for the mining companies operating in this mountainous country. Earnings have grown steadily over a term of years. In 1922 the net profits, after depreciation, interest, bond discount and Mexican taxes, were $241,669. By 1926 the net profits had increased to $670,882. It is anticipated that the net profits for 1927 will be about $835,000. This will be equivalent to $6.25 per share on the common stock after payment of 7 per cent. on the $3,000,000 of outstanding preferred stock.

On its record, therefore, the Northern Mexico Power & Development Co. stock appeals as an investment with an excellent outlook. But there is also the possibility that the company may be acquired through purchase of common stock by the International Power Co. There is no confirmation of report that negotiations have been in progress, but it is considered somewhat significant that the directorates of the two companies are in the same financial group and the common stock of Northern Mexico remains nearly at a price which is said to have been fixed tentatively as a fair offer for control.

The common stock of this company has been on a 4 per cent. basis since last year and gradual increases in the dividend rate may be expected comparatively soon.

Capitalization—

	Authorized	Outstanding
Common	$10,000,000	$10,000,000
7% pref. cum. ... (Shares $100 each)	3,000,000	3,000,000

Funded Debt—

First mortgage, 7% bonds, due 1933	1,000,000	495,000

Dividend Record—

Preferred 7% paid July 2, 1924, for year 1920; 7% paid Nov. 1, 1924, for year 1921; 7% each paid Feb., 1925; May, 1925; Oct., 1925; Feb., 1926, bringing dividends to date; 1¾% paid Apr., 1926, and quarterly since. On common 1% paid Jan. 15, 1927, and quarterly since.

Officers and Directors—

Hon. W. D. Ross, pres.; Strachan Johnston, vice-pres.; T. A. Spoor, sec-treas.; E. Hanson, E. A. Macnutt, A. E. Dyment, S. J. Moore, J. A. Tory, J. D. Patterson, Sir E. Mackay Edgar, F. B. McCurdy.

Income and Surplus Account Years Ending December 31

†Deficit .

	1926	1925	1924
Profits	$1,003,603	$789,054	$514,842
Less:			
Depreciation .	210,000	200,000	150,000
Interest	36,172	41,872	......
Bond discount	5,000	7,213	......
Mexican tax's	32,500	54,000	......
Res. for inv. .	49,049	......	......
Net profits	670,882	485,969	364,842
Less:			
Pfd. divds. ..	*420,000	630,000	420,000
Com. divds. ..	100,000	......	......
Surplus for year	150,882	†144,031	†55,158
Add prev. surp.	687,914	831,945	887,103
Bal. carr. forw.	$838,796	$687,914	$831,945

*For 1925 and 1926.

Market Record—

	1926 H	1926 L	1927 H	1927 L	x1928 H	x1928 L
Common	55	40	97	42	110	90
Preferred	85	80	97	82½	100⅝	97

xTo February 29.

N. B. Power

While Betterment is Shown, Competition Still Prevents Real Progress

Earnings of the New Brunswick Power Co. showed a betterment in 1927 as compared with the preceding year. The company still experiences keen competition with the local publicly owned Hydro-Electric, yet the private enterprise and the publicly owned development seem to have got down to a sensible working basis. Hence, for the future, the company should be able to strengthen its position.

For many years the company operated the power and tramway systems in the city of Saint John, N.B., but some years ago the government allowed the publicly owned enterprise to operate in the city and to erect lines and to supply customers. Thus, there are two sets of electric distribution systems in Saint John. The whole affray has worked out unfortunately from every standpoint, not the least of which is the earning power of the New Brunswick Power Co. Moreover, the public have not benefited by obtaining lower power rates.

So far as the company is concerned, the tide of decreasing earnings has turned. The outlook for the future is better than it has been for some years. But many problems yet remain to be solved before the company can make profits compatible with its total investment in plant and property.

Capitalization—

	Authorized	Outstanding
Common .... (No par value).	20,000 shs.	20,000 shs.
1st pref. cum.	$3,500,000	$1,000,000
2nd pref. non-cum. (Par $100).	1,500,000	350,000

Funded Debt—

First gold 5% bonds due 1937	5,000,000	1,810,477

Dividend Record—

The company passed its first and second preferred stock dividends, payable Sept. 1, 1918, and dividends on its second pref. payable Dec. 1, 1918. Full dividends were paid on first pref. during 1919, also payment due Sept. 1, 1918, which was paid May 24, 1919, but the dividend due Mar. 1, 1920, was passed. All dividends on first pref. have now been paid to Mar. 1, 1925. An interim dividend of 1% was paid on after. On second pref. the payment due Sept. 1, 1918, was made May 24, 1919, and dividends of 1¾% each were also paid June 1, 1919, and Dec. 1, 1919. No dividends have been paid on second pref. since May 17, 1920. Second pref. is now cumulative from Dec. 1, 1922. Common dividends are payable only out of surplus earnings from the transaction of business after April 1, 1917. No dividends have been paid on common.

Officers and Directors—

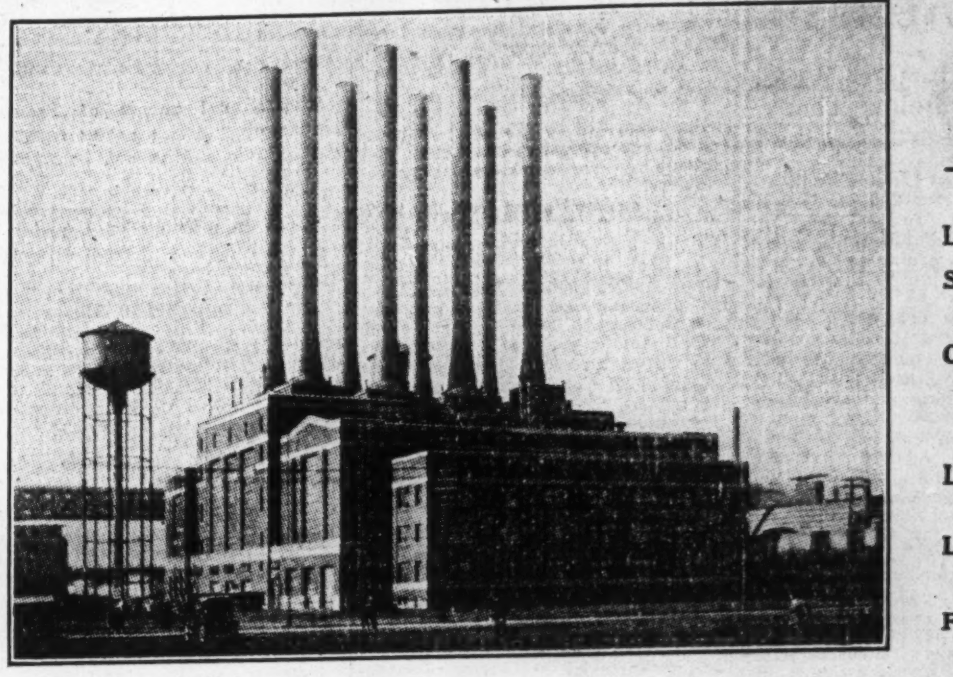
E. N. Sanderson, president; W. C. Allison, W. S. Fisher, W. E. Golding, J. M. McAvity, A. P. Paterson, R. Sullivan, L. C. Gerry, W. H. Swift, vice-pres. and general manager; J. A. Olive, sec.-treas.

Years Ending Dec. 31.

INCOME AND SURPLUS ACCOUNT

	1926	1925	1924
Gross earnings	$767,714	$701,393	$770,349
Less uper. exp.	557,355	556,953	624,026
Net earnings ..	210,359	144,440	146,323
Less: bond int.	90,887	91,076	92,445
Other int., etc	20,060	18,770	14,276
Income tax ..	7,219	4,438	3,500
Net profits ...	92,194	30,156	36,102
Less appropriations:			
Pref. divid. ..	30,000	17,500	70,000
Surplus for year	62,194	12,656	x33,898
Add prev. surp.	98,411	85,755	119,653
Bal. carried for.	160,604	98,411	85,755

x Deficit.



Lopulco
St. Lawrence Paper Mills
Canadian International Pulp and Paper Co.
Laurentide Pulp Co.
Lake Superior Paper Co.
Fort William Paper Co.
St. Annes Paper Co.
Lake St. John Power and Paper Co.
Nashwaak Pulp and Paper Co.

An Organization of Canadian Engineers—

experienced in the design, construction and operation of the largest Steam Plants in Canada, and having access to all the information of its associates in England and the United States—

is at your service.

One Contract from Coal Pile to Stack.

Combustion Engineering Corporation *Limited*
Power Plant Equipment
MONTREAL, TORONTO, WINNIPEG, VANCOUVER

Hydro Bond & Share

The Hydro Electric Bond and Share Corporation was financed by a bond issue about a year ago. The corporation is an investment trust with its holdings largely confined to power and public utility stocks. The strength of the company lies in its management. Sir Herbert S. Holt is president; there can be no doubt that the public utility or power investments which he and his associates will choose for the trust will be amply secured and ably managed.

Capitalization—

	Authorized	Outstanding
Common	600,000 shs.	200,000 shs.

Funded Debt—

First collateral trust bonds, 5% series "A", due 1957, $3,500,000.
Income debentures, due 1967, $2,000,000.

Officers and Directors—

Sir H. S. Holt, pres.; J. S. Norris, vice-pres.; G. Godin, Jr., man. dir.; J. H. Gundy, G. H. Montgomery, A. P. Holt.

INVESTMENT STRENGTH

Based on Centralized Control of Electric Light and Power Properties Serving Diversified and Expanding Fields

International Power Company, Limited, incorporated in February, 1926, under the laws of the Dominion of Canada, is a public utility holding and operating company which controls public utility properties which have been in successful operation for many years in Bolivia, British Guiana, Newfoundland, Porto Rico, Salvador and Venezuela. Combined population in the territories served by the controlled properties is approximately 1,000,000 and the number of their light and power customers exceeds 70,000.

The operating properties are:—

Bolivian Power Company, Limited, which operates the electric lighting, tramway and telephone undertakings in La Paz, the seat of government and principal city of Bolivia.

Oruro Light & Power Company, operating the electric lighting and power business of Oruro, the third largest city in Bolivia and commercial centre of the tin mining industry of the republic.

The Demerera Electric Company, Limited, operating the electric light, power and tramway systems in Georgetown, the capital, chief port and business centre of British Guiana.

Newfoundland Light & Power Company, Limited, which operates the electric lighting, power and tramway systems in St. John's, the capital and principal financial and commercial centre of Newfoundland.

The Porto Rico Railways Company, Limited, which operates the electric lighting and power distribution systems in San Juan, the capital and largest city of Porto Rico and the principal municipalities in the eastern section of the island. The Company also operates the entire tramway system in San Juan and suburbs.

San Salvador Electric Light Company, operating the electric lighting and power services in San Salvador and 16 adjoining municipalities. San Salvador is the capital and principal commercial and financial centre of the Republic of Salvador.

Venezuela Power Company, Limited, which operates the light and power businesses of Maracaibo and Barquisimeto. Maracaibo is the largest port and second largest city of Venezuela, and is also the chief financial and distributing centre of one of the world's most important oil producing districts. Barquisimeto is the capital of the most populous state in Venezuela.

The 6½% 30-Year Gold Debentures and 7% Cumulative First Preferred Shares of International Power Company therefore represent investments which have behind them the earning power of well established properties operating in leading cities of six countries, each of which derives its principal wealth from resources of a different kind, i.e., Bolivia: tin, silver, copper and other minerals; British Guiana: aluminum, diamonds, sugar; Newfoundland: fisheries, pulp and paper; Porto Rico: sugar, tobacco, coffee and citrus fruits; Salvador: coffee, mahogany, dyewoods; Venezuela: oil and agriculture.

Earning power is thus not unduly affected by changing conditions in any single commodity market, and the investor in International Power Debentures and Preferred Stock obtains investments which are protected by this diversification. As the fields of operation offer opportunities for considerable further development in the use of electricity, the outlook is for steadily increasing earnings.

Upon request, we shall be pleased to supply investors with descriptive circulars and to submit offerings of International Power 6½% Debentures and 7% First Preferred Shares.

Royal Securities Corporation, Limited
164 St. James Street - - MONTREAL
TORONTO HALIFAX SAINT JOHN QUEBEC WINNIPEG VANCOUVER NEW YORK
LONDON, ENG. CHARLOTTETOWN OTTAWA HAMILTON CALGARY EDMONTON
REGINA VICTORIA ST. JOHN'S, NFLD.

PAPER MAKING MACHINERY

Since 1920 over 1,475,000 h.p. Dominion Hydraulic Turbines have been built or are under construction — these include both reaction and impulse types for widely varying conditions of head and capacity. The combined experience of our associate companies, the I. P. Morris Corporation, and The Pelton Water Wheel Company, is behind Dominion turbines, ensuring the best possible hydraulic and mechanical design.

I.P. MORRIS & PELTON HYDRAULIC TURBINES

DOMINION ENGINEERING WORKS LIMITED
MONTREAL CANADA

P. 39

THIRD SECTION

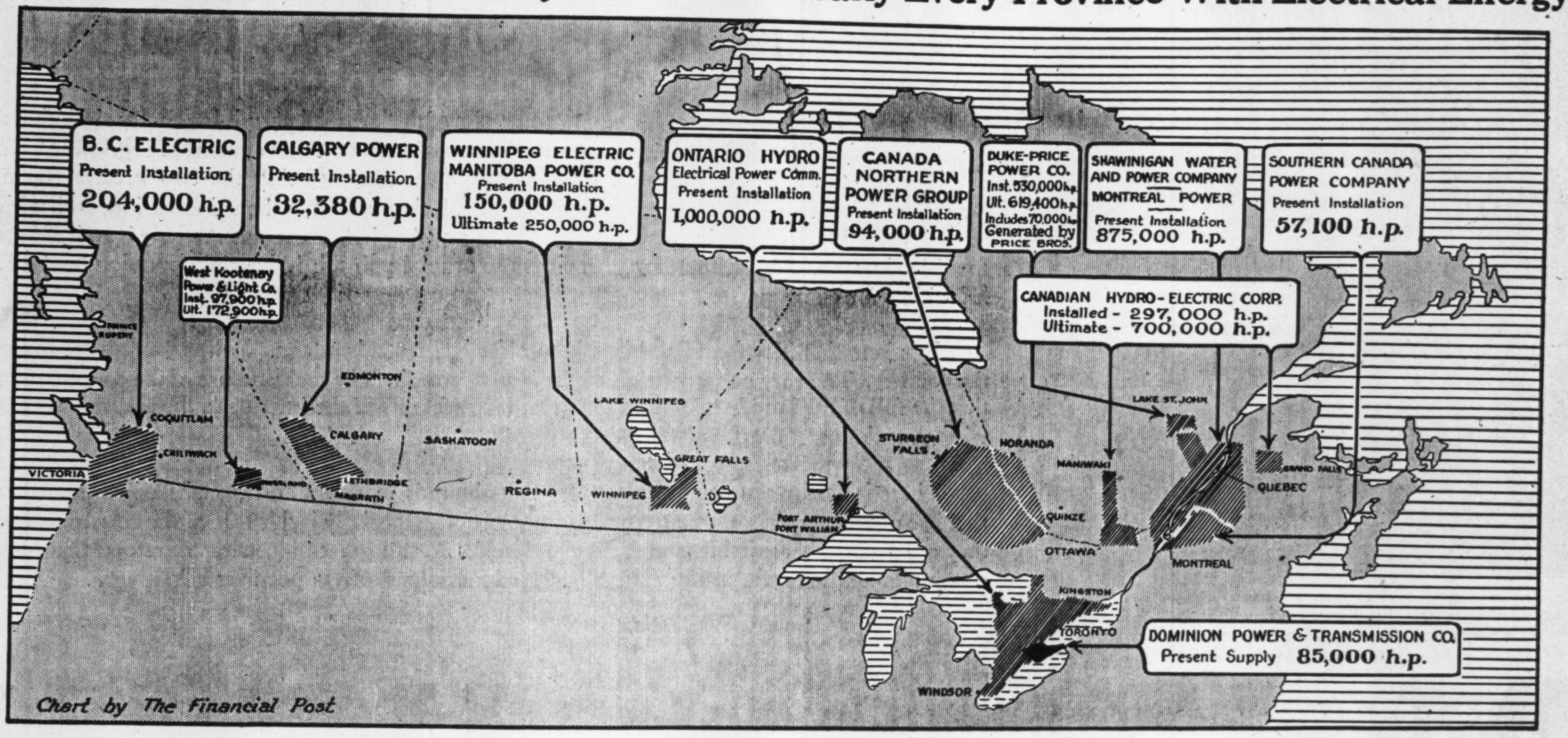
Featuring Public Utility Investments

THE FINANCIAL POST

THIRD SECTION

Vol. XXII. Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, MARCH 16, 1928 10c. a Copy; $5.00 a Year No. 11

Canada's Large Super-Power Systems Serve Nearly Every Province With Electrical Energy


B. C. ELECTRIC
Present Installation 204,000 h.p.
CALGARY POWER
Present Installation 32,380 h.p.
WINNIPEG ELECTRIC
MANITOBA POWER CO.
Present Installation 150,000 h.p.
Ultimate 250,000 h.p.
ONTARIO HYDRO
Electrical Power Comm.
Present Installation 1,000,000 h.p.
CANADA NORTHERN POWER GROUP
Present Installation 94,000 h.p.
DUKE-PRICE POWER CO.
Inst. 530,000 h.p.
Ult. 619,400 h.p.
Includes 70,000 h.p. Generated by PRICE BROS.
SHAWINIGAN WATER AND POWER COMPANY
MONTREAL POWER
Present Installation 875,000 h.p.
SOUTHERN CANADA POWER COMPANY
Present Installation 57,100 h.p.
West Kootenay Power & Light Co.
Inst. 97,900 h.p.
Ult. 172,900 h.p.
CANADIAN HYDRO-ELECTRIC CORP.
Installed - 297,000 h.p.
Ultimate - 700,000 h.p.
DOMINION POWER & TRANSMISSION CO.
Present Supply 85,000 h.p.
PRINCE RUPERT
COQUITLAM
CHILLIWACK
VICTORIA
EDMONTON
CALGARY
LETHBRIDGE
MAGRATH
SASKATOON
REGINA
LAKE WINNIPEG
WINNIPEG
GREAT FALLS
PORT ARTHUR
FORT WILLIAM
STURGEON FALLS
NORANDA
MANIWAKI
QUINZE
OTTAWA
LAKE ST. JOHN
GRAND FALLS
QUEBEC
MONTREAL
KINGSTON
TORONTO
WINDSOR
Chart by The Financial Post

The largest hydro-electric systems in Canada are shown in the above map. Several of the systems shown are affiliated in control; for instance, the Winnipeg Electric, Dominion Power, Canada Northern Power, and Southern Canada Power groups are all virtually controlled by Power Corporation of Canada.

MERGER ERA IN UTILITIES TO CONTINUE

Adjacent Companies Can be Profitably Made One

PAY GENEROUS PRICES

Shareholders of Companies Taken Over Get High Bids in Recent Transactions Recorded

The trend towards consolidations, mergers, or combinations of one kind or another has perhaps been more marked in the power industry than in industrials. What the investor wants to know, though, is how the continued trend towards consolidations, is going to affect his holdings. The answer is that if, as and when further combinations or mergers take place in the power industry in Canada, and there can be little doubt that there will be more—the position of the stockholder, or bondholder, will be improved.

Canadian Hydro-Electric Corporation

The past twelve months have witnessed the phenomenal growth of the Canadian Hydro Electric Corporation and its subsidiary, the Gatineau Power, which, together with their owned and controlled companies, now stand in the front rank of Canadian power producers. It is true that a large proportion of the Canadian Hydro-Electric Power Corporation's output comes from its new plants on the Gatineau river, yet during the past twelve months this gigantic company has acquired control of the Ottawa and Hull Power Company, the Ottawa River Power Company, Ottawa-Montreal Power, Quebec Southern Power, Gatineau River Power and several other smaller subsidiaries.

In each instance, the holders of the securities of what are now subsidiaries of the big power producers did well in the deal. In fact, in some of the purchases, it was said that International Paper, which owns the Canadian Hydro Electric Corporation, paid too high a price. Nevertheless, had the Canadian Hydro Electric Corporation or the Gatineau Power been forced to make economic studies of the potentialities of the fields now served, to erect competing transmission lines and to duplicate all the existing equipment, there is no doubt that it would have cost the International Paper's subsidiary much more in the long run than the price paid for the various subsidiaries.

Shawinigan Also is Expanding

Shawinigan too has also been expanding, its chief acquisition being a minority stock interest in the Duke-Price Power Company. But in addition, Shawinigan's subsidiaries such as Quebec Power have reached out and acquired many independent public utility or power undertakings in various sections of the province.

In western Canada the Calgary Power Company has expanded; it too has acquired smaller properties and is steadily reaching out for more business. The subsidiaries of International Utilities in Western Canada have also grown by the purchase of other public utility properties.

Sellers Get Good Price

In virtually each and every of the foregoing mergers or sales of power or public utility properties, the shareholders of the acquired companies have come out well in the sales, either by way of a cash payments or by an exchange of securities—all of which augurs well for the ultimate future of shareholders in power companies which are still independent and which operate in territories adjacent to large producers.

The reason why the shareholders of power or public utility properties obtain a good price for their holdings in a merger lies in the fact that competition between public utility or power companies is uneconomic and generally unsound. The duplication of a transmission line alone can be accomplished at a cost far in excess of that at which it is possible to purchase already erected lines. Hence, the larger utilities in expanding their territories, are willing to pay better than satisfactory prices for new properties.

While the trend towards consolidation will undoubtedly be continued, yet the holder of any power or public utility securities of a company which serves an isolated territory can hardly anticipate the immediate sale of his property, for the major benefits of such mergers only accrue when the operating properties serve adjacent territories.

Provides Many Economies

The merging of two adjacent public utility properties provides many obvious and many not so obvious economies. The best and most efficient apparatus can be obtained by the larger units; the continual growth of public utility service can be properly looked after; financing is cheaper; purchasing is done in larger quantities; better technical supervision is obtainable; the cost of legal and other services is reduced; the larger use of available power is obtained; all round more efficient operation is obtainable. Hence, in the future there can be no doubt that the larger companies will reach out more and more to acquire smaller operators—at a figure satisfactory to the security holders of acquired companies.

The present era is a period of consolidation in corporation finance. Already mergers have been effected that rival in importance the many industrial financial and public utility mergers of 1909-1912. Before the movement has run its course there will be many more gigantic fusions to record in all of these fields.

Power Represents Cash Investment of $875,000,000

Canada Will Shortly Have in Operation Power Installations with a Total Capacity of Five Millions of Horse-Power

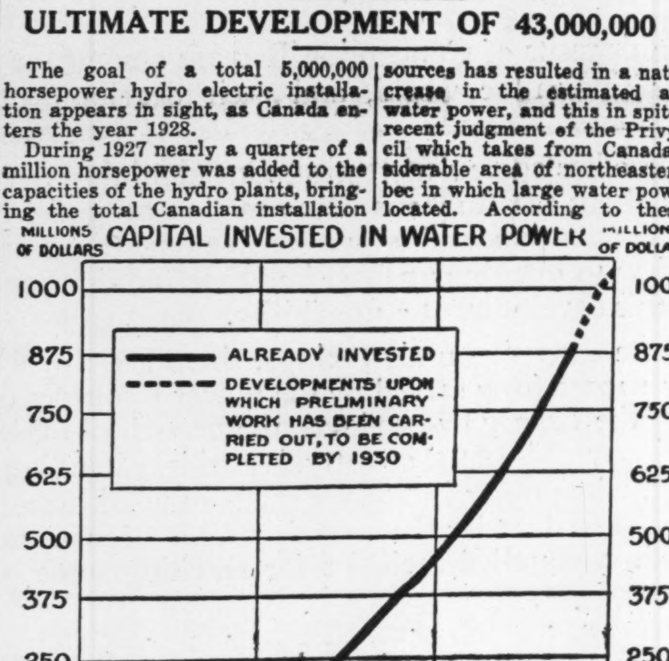
ULTIMATE DEVELOPMENT OF 43,000,000 H.P.

The goal of a total 5,000,000 horsepower hydro electric installation appears in sight, as Canada enters the year 1928.

During 1927 nearly a quarter of a million horsepower was added to the capacities of the hydro plants, bringing the total Canadian installation to well over the four and three quarter million horsepower mark. Add to this the various work now under way and there is no doubt that before many months there will be at least 5,000,000 horsepower of hydro electric power in Canada.

Have Re-Inventoried Resources

One of the most interesting features of the past year as far as Canadian water powers are concerned, has been the re-analysis of Canada's power potentialities. This over-hauling of our estimated resources has resulted in a natural increase in the estimated available water power, and this in spite of the recent judgment of the Privy Council which takes from Canada a considerable area of northeastern Quebec in which large water powers are located. According to these new figures the total resources of the Dominion are something like 20,000,000 horsepower under conditions of ordinary minimum flow and over 33,000,000 horsepower which will be ordinarily available for six months of the year. This estimate is based only on rapids, falls, and power sites which are definitely known or whose potentialities have been definitely measured, and as such they may be said to represent a most conservative minimum of the water power potentialities of Canada.



Artificial Gas Plants Continue Their Growth

Products and Residuals in 1926 Were Valued at $18,264,860, Which is 2 Per Cent. Advance Over Previous Year

Products and by-products from artificial gas plants in Canada during 1926 were valued at $18,264,860, an increase of 2 per cent. over the corresponding figure for 1925 according to data compiled and published by the mining, metallurgical and chemical branch of the Dominion bureau of statistics at Ottawa. The output of artificial gas in this industry totaled 14,067,676 M. cubic feet of which 12,573,892 M. cubic feet were sold for $14,417,652 and the remainder was as fuel in the reporting plants or was unaccounted for. In addition, 17,891,146 M. cubic feet of gas were produced in the coke industry by establishments engaged primarily in the production of metallurgical coke and 1,532,430 M. cubic feet of still gas were produced in the process of refining petroleum.

Statistics given refer only to the illuminating and fuel gas industry which embraces those plants producing coal gas, water gas, pintsch oil gas and acetylene gas as the major products. The 44 plants in this industry in 1926 were distributed as follows: 1 in Nova Scotia, 2 in New Brunswick, 4 in Quebec, 21 in Ontario, 8 in Manitoba, 2 in Saskatchewan, 1 in Alberta and 5 in British Columbia. Capital employed amounted to $54,273,267, the monthly average number of employees was 3,678, salaries and wages totaled $4,883,521, and the cost of materials used was $6,226,100. Sales of gas totaled 12,573,892 M. cubic feet worth $14,417,652 and the value of by-products was $3,847,208 as compared with sales of gas at $14,047,306 and by-products valued at $3,827,173 in 1925.

Of the producing plants, 11 made straight coal gas only; 9 produced carburetted water gas only; 6 made both coal and water gas; 3 manufactured mixed coal and water gas; 9 others made pintsch oil gas and 6 others made acetylene gas from calcium carbide. There were also 2 companies in Ontario distributing coke-oven gas for domestic and industrial purposes.

Large Power Projects Under Way in Canada

	Completed in 1927 H.P.	Underway in 1928 H.P.	Prospective Develop. H.P
British Columbia—			
B. C. Electric	12,500	28,000	......
West Kootenay	......	60,000	......
City of Kamloops	......	1,000	......
Nicola Lake	80	......	......
Crown Wilamette Paper	......	......	70,000
Canadian Forest Products	......	......	60,000
Marinon Mine	......	1,000	......
Alberta—			
East Kootenay	10,000*	......	......
Manitoba—			
Manitoba Power Co.	28,000	80,000	......
White Mud Falls	......	......	35,000
Ontario—			
Ont. & Minnesota Power Co.	24,000	13,200	......
Gananoque Electric	1,500	......	......
Smith's Falls	325	......	......
Streetsville	75	......	......
Hydro Electric (Nipigon)	......	54,000	......
Spruce Falls Co.	......	56,250	......
International Nickel Co.	......	28,200	......
Quebec—			
Gatineau Power	174,000	250,000	200,000
Shawinigan	4,000	50,000	......
Alcoa (Saguenay)	......	......	800,000
Duke-Price	......	45,000	45,000
Donnacona	2,000	......	......
Coaticook	2,000	......	......
Montreal Island Power	......	65,000	......
Can. Northern Power	......	20,000	......
Riviere a Pierre	......	300	......
Ontario Paper Co.	......	40,000	......
City of Sherbrooke	......	5,800	......
La Sarre River	......	......	2,000
Beauharnois Co.	......	......	500,000
New Brunswick—			
St. John River Power	......	80,000	......
Bathurst	......	......	40,000
Nova Scotia—			
Power Commission	5,000	......	......
Bridgetown	315	......	......
Avon River Power	......	4,350	......
Prince Edward Island—			
Montague Electric	160	......	......

*Steam Installation.

RANK SHAWINIGAN FIRST AMONG BIG POWER COMPANIES

It Has 650,000 H.P. Capacity at Present Time

The size of power companies can not be judged from the total capacities of their plants, for many companies buy power en bloc and then retail it through their own distributing systems. And the capital investment in distributing systems constitutes a much larger proportion of the total amount invested in power companies than is generally realized. Hence the actual amount of power generated at its plants provides no index of size of any company.

Companies which sell their entire output of power right at the plant, naturally cannot show the growth which a company serving a large and growing territory can do. For instance, Laurentide Power produces 165,000 h.p. which is sold at its plant to the parent company and to Shawinigan; Montreal Power, generating less than twice the output of Laurentide Power, is able to expand both its assets and its earnings faster than the other company, due to the natural growth in its customers. Hence hydro power plant capacity plus the type of service rendered must be taken into consideration in any attempt to evaluate the securities of power companies.

The power capacities of the wholly-owned plants of the six largest companies in Canada follow:

Approximate Installed Capacity

	h.p.
The Shawinigan Water & Power Company	650,000
Canadian Hydro-Electric Corporation, Limited	*610,000
Power Corporation of Canada, Limited (Properties controlled or those in which corporation has substantial interest.)	464,600
Duke-Price Power Company, Limited	450,000
British Columbia Electric Railway Co.	†212,200
Montreal, Light, Heat and Power, Con.	290,000

† 5 hydro-electric, 2 steam plants.

* On completion of present construction.

RATES FOR POWER IN CANADA SHOW STEADY DECLINE

In Nineteen Years Price of Current Drops 30 Per Cent.

The index number of the cost of electric energy prepared by the Dominion Bureau of Statistics shows a reduction of well over 30 per cent. during the last thirteen year period. The cost of electricity, particularly for domestic use continues steadily to decline. But prices of commodities, while a little lower than their level in 1921, are still far above the prices prevailing before the war.

Yet the declining price of electric power does not augur bad times for the holder of power securities. In fact the decline improves the position of the holder of shares in the power companies for the more or less constant reduction in power costs over the past ten years has built up a substantial measure of public goodwill for the companies.

There are several factors which have allowed the companies to reduce their rates even though construction costs have increased the investment necessary to construct hydro electric plants. With the growth of the distributing companies, their operations have grown more efficient. The increased use of power naturally tends toward lower costs. Then again the power companies obtain as customers more of the large power using industries. Coupled with this there has been a greater use of the power available; companies have been able to adjust their loads so that the high peak loads of former years have in some measure been eliminated.

'Phone Companies, Always Expanding, Call for Capital

Bell Telephone Company Alone Has Programme Afoot Calling for Hundred Million Dollars of New Investment

RATES RISE BUT SLOWLY IN THIS COUNTRY

The situation surrounding, and the future prospects for the securities of the telephone companies are excellent. While the chief investment interest in telephone companies is confined to the securities of the Bell Telephone Company, yet there is a not insubstantial interest also in the shares of many smaller companies operating in various small territories throughout the Dominion. In addition there are the two large companies serving the Maritime provinces.

Investors in telephone stock need not expect to make quick profits from the public which they serve. They can expect, though, that their shares will maintain their investment standing in the future. The Board of Railway Commissioners allowed the Bell Telephone last year to adjust its rates to figures more in keeping with the ever increasing territory served. This indicates that these privately owned utilities in the future will be allowed to earn a fair day's wage for a fair day's work.

Public Relations Good

The public has shown little disposition to turn and rend the telephone companies in the way in which many power enterprises have been illtreated. One of the reasons being the long record of efficiency of most of the companies. The larger companies have never yet hidden their profits or paid out by way of dividends anything but a moderate return to their shareholders. Indeed the Bell Telephone has definitely adopted it as one of its policies not to pay out larger and larger dividends.

Hence any well administered 'phone company, even though small, has little to fear in the way of public outcry which would reduce the value of its investment in plant and equipment.

In the territories served by the privately owned telephone companies, rates, it is true, have increased in recent years—but it is noteworthy that the rates in the territories served by the privately owned companies have not increased to anything like the extent of the rates of the publicly owned companies—especially in western Canada.

Private Rates Rise Slowly

For instance, the Dominion Bureau of Statistics in a report on the telephone situation in Canada shows that rates in Alberta have increased by 69 per cent. since 1913. In Ontario and Quebec, which are both served by a private company, the increase amounts to 39 and 16 per cent. respectively. All of which gives some indication of the able management of the privately owned company.

Incidentally, with the ever increasing use of the instrument, the rates must rise. Unlike other businesses, the unit cost rises with the increased use of the telephone. The more instruments there are in use in any given community, the larger is the proportional investment required to handle the increased volume of calls and the increased number of exchanges.

Much New Capital Needed

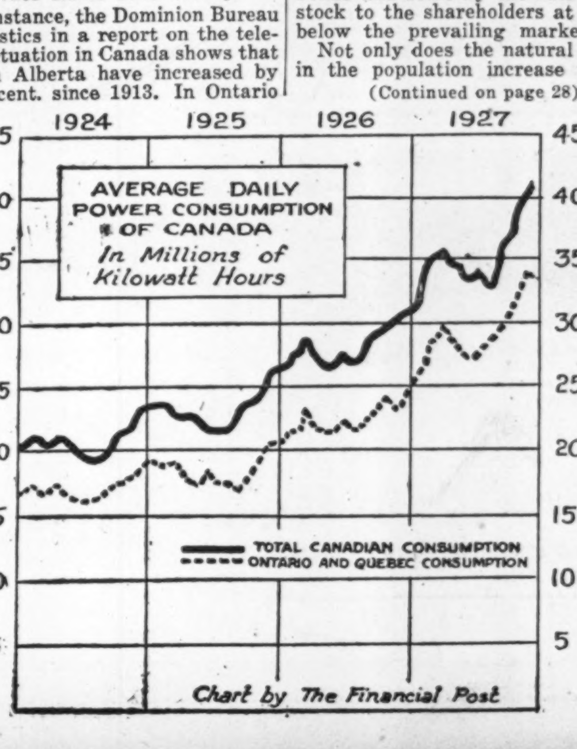
The holder of telephone shares can expect to receive rights to new stock which the companies must issue from time to time to keep up with the demand for more and more telephones. For instance the Bell Telephone Company will require about $100,000,000 in new capital in the next five or six years. Some of this will be provided by the sale of more bonds and some by the sale of new stock to the shareholders at figures below the prevailing market level.

Not only does the natural growth in the population increase the de-

(Continued on page 28)

Why Power Securities Are Good Investment

Why are power securities sound investments? Because there is no letup in the demand for the output; because there is every assurance of a yearly increased sale; because the output is a necessity to life; because power is sold at low cost to a wide and diversified market; because there is no uneconomic competition; because there is no rapid fluctuation of prices; because there is only one product sold and machinery need not be scrapped; because there are no raw materials to purchase; because there is no labor problem; because there can be no inventory losses; because sales are made for cash and because there are no bad or doubtful debts.



TRAMS HOPE LEAN YEARS HAVE PASSED

Fares Rise More Slowly Than the Costs of Operation

SOME SUCCESSFUL

Montreal Tramways Company, Because of Fine Contract, is Enabled to Keep on Profitable Basis

One of the few shining examples of tramways operations on this continent is the Montreal Tramways Company. This company is operating successfully and its shares are an investment. This is due to the equitable franchise under which the company operates.

Broadly speaking, while the position of the tramways companies has improved during the past 7 years, yet few of the companies are operating on a really satisfactory basis. During the war years, the number of people carried on the electric railways in Canada increased annually until it reached the peak of 804,711,333 persons in 1920. The number of passengers carried then decreased sharply until the end of 1925. There has since been an increase in the number of passengers carried. The last full year for which complete figures are available is 1926 when electric railways in Canada carried 746,710,836 passengers, a figure still well below the 1920 figure, more especially when it is remembered that the track mileage has increased from 2,427 miles to 2,528 miles in this period. During 1927 the number of passengers carried by the Canadian electric railways again increased, but it is to be doubted if the total will be larger than in 1920.

Two Handicaps of Companies

Two factors have combined to handicap the tramways companies. First, the decline in passengers and second the increased cost of operation. Many of the companies were not allowed to increase their fares to keep up with the general increase in the cost of operation which has been experienced during and since the war.

However, most of the larger traction companies in Canada have during the past twelve months been able to operate on a more satisfactory basis than the preceding year. At the moment, Ottawa Traction, which has all along operated under a 5 cent fare, needs and is asking for an increased rate.

There are few tramway companies in Canada in which there is direct investment interest. Many are owned by power companies. For instance the Winnipeg system is owned and operated by Winnipeg Electric. It is felt that the power and gas department of this Winnipeg company have in recent years carried the financial burden incurred by its tramways operation.

See Better Conditions

The trend of recent years toward better conditions for the tramway companies should in some measure serve to console the shareholders of those companies who have found the past decade but lean years.

The total capitalization of Canadian electric railways amounts to nearly $216,000,000. The trend toward better times for these public utilities is evident in the government reports which show that all the companies in Canada operated in 1926 with a deficit of only $285,261 as against a deficit in the preceding year of $1,294,519.

Tramways companies in the U.S.A. have suffered more in the past decade than the Canadian companies. The situation there has undergone an improvement during the past two years and only a few companies are in receivership as compared with more than 800 at one time in recent years. The average fare in cities of 25,000 population and over in the States is now 7.74 cents compared with 7.6 cents here in Canada.

Backbone of City Traffic

There seems little doubt that the electric car will remain the backbone of mass transportation. The small city line, though, is a problem and many electric railways on this continent have been abandoned in cities of a population of less than 25,000.

Cities of the size of Kingston, Ont., have a hard time operating tramways, for if fares are increased fewer people take the trams with a resulting decline in their net profits. However, in the larger cities the outlook for the future is improving slowly, but apparently steadily.

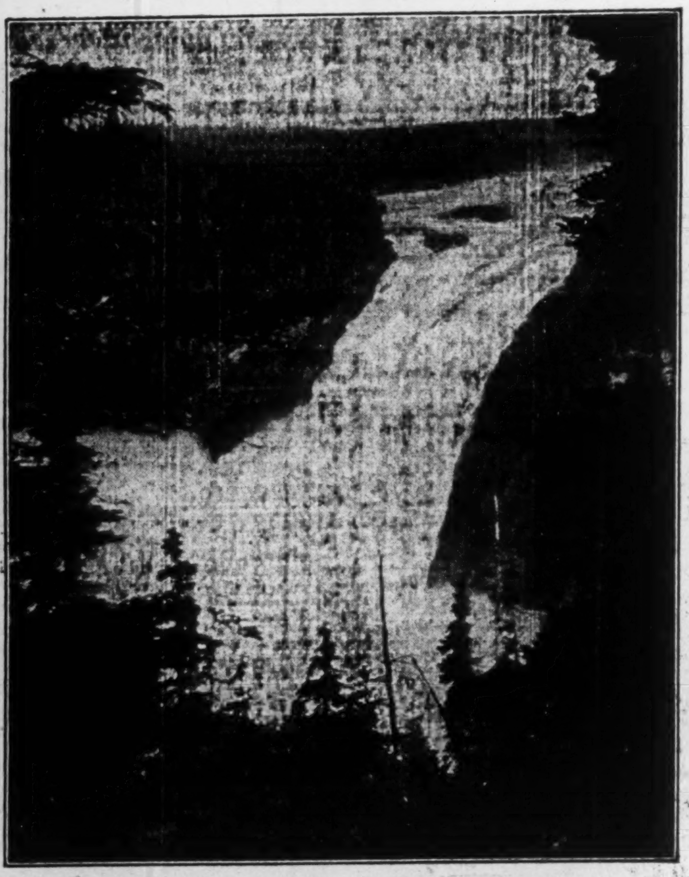
Fares Show Small Rise

In Canada as a whole fares have increased since 1913. But the increase in fares has steadily lagged behind the increased cost of operating the roads. This together with other problems such as competition with motor cars or jitneys have been the two chief factors depressing the tramways business the past ten years. The following figures show the present index number of average fares paid on city street cars in Canada in each of the provinces with the figure 100 representing 1913 fares. It will be seen that in the figures the 1926 index in the 13 intervening years, the average fare paid has increased nearly 43 per cent. which compares with an increase in the cost of commodity prices during the same period of about 55 per cent. The figures follow:

Index Number of Tram Fares
1913=100

Nova Scotia	168.2
New Brunswick	125.8
Quebec	140.9
Ontario	145.
Manitoba	143.9
Saskatchewan	144.2
Alberta	141.5
British Columbia	123.8
Canadian average	142.9

Tens of Millions of Undeveloped Horse Power



Grand Falls, in Labrador, one of the greatest undeveloped power sites in the world.

Power Resources For Every Need Assure a Stable Future

MORE and more, power is coming to be one of the largest determining factors in industry. Competition is whittling down profit margins so that factors that once were negligible have become vital to the life of industry. Labor and power are probably the two greatest factors in all branches of industry. Year by year, the world over, Labor costs have been increasing, and, while skilled labor is probably as cheap in Newfoundland as in any Anglo-Saxon country, there is an irreducible limit to all labor costs. Power, therefore, becomes the crucial point in industrial operation, and all industry is looking for cheap power.

It is here that Newfoundland is able to offer its great advantage. Power sources are indigenous to the country. The very conformation of the land assures it. The rocky nature of the country, and the fact that the fall of the land breaks from the great lake sections of the interior to the sea, assures power sites with a maximum run-off.

There is hardly a stream, in a country that abounds in rivers and streams of various dimensions, that has not power sites of greater or less importance. Especially is this true of the coastal sections where they are peculiarly available, and easily developed. For all great industries, therefore, that look toward cheap and ample power as their life-blood Newfoundland offers peculiar advantages.

Newfoundland
and LABRADOR

Great Industries in the Making

ALREADY Newfoundland has made an outstanding place for herself in the Pulp and Paper industry. The happy conjunction of virtually inexhaustible tracts of pulp timber and extensive power resources have made possible a most surprising development. This industry born relatively only a few years ago, has developed into the second industry, in point of importance in the Dominion, and represents two of the largest pulp and paper units in the world. The Anglo Newfoundland Development Company's plant at Grand Falls on the Exploits River and its subsidiary plant at Bishops Falls, is one of the world's great power plants while the Corner Brook plant that has recently been taken over by the International Paper Company promises to be even larger. The development of the pulp and paper resources of the Gander River section in the not very distant future will form another great unit in this growing industry.

The availability of cheap power, and cheap water freights to the consuming markets have made Newfoundland's great pulpwood resources of outstanding importance.

Similarly power is helping to open up the great mineral resources of the country. The Bell Island Iron deposits of Conception Bay are among the richest and most extensive of their kind in the world, and their development has been made possible by ample power.

Of very recent months there has come a most pronounced mining development. The lead-zinc deposits about the Buchans Mine section around Millertown are attracting world-wide attention, and very extensive operations are being conducted there with a view to opening up these immense and rich deposits. Again power sites have made this development a possibility.

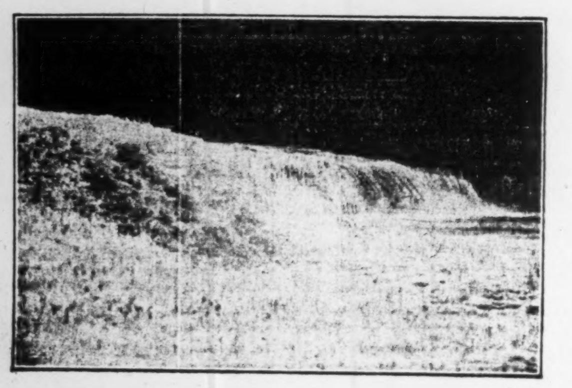
But, quite apart from these extensive undertakings, there are a world of other interests that are being successfully served by the power resources of the country. The development of the fishery by-products, the growth of manufacturing to take care of the various needs of the country, is rapidly extending, and is likely to extend still further, when other industries realize the advantages of a compact market, that can be served under the most favorable of manufacturing conditions, combined with unequalled facilities for reaching some of the great export centres.

Undoubtedly Newfoundland is just entering on a period of extensive progress in all departments, and her extensive and widely distributed power resources will be one of the largest factors in this advance.

Newfoundland's Resources in Available Power

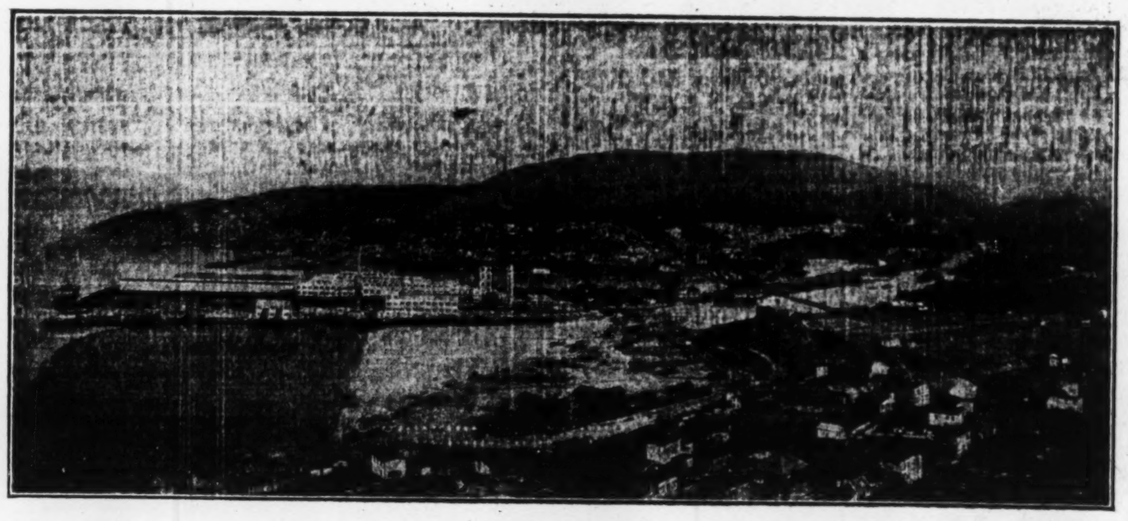
THE factor of greatest importance in regard to Newfoundland's power facilities is that all the immediate needs of the country, for some time to come, are met by readily available power. It is estimated that the main river systems, the Exploits, Gander and Terra Nova Rivers on the north-east coast and the Humber and Bay d'Est Rivers on the south and west, are capable alone of developing some 500,000 h.p. This does not take into account the innumerable smaller sites that are eminently suited for mining and industrial development.

In Labrador, Newfoundland has some of the greatest, if not the greatest, potential power sites in the world. Grand Falls, on the Hamilton River, has a potential capacity of over five million horse power, and it is only one of several mighty power sites that will ultimately be instrumental in opening up the great resources of that section.



One of Newfoundland's smaller power sites.

What Ample Power Makes Possible

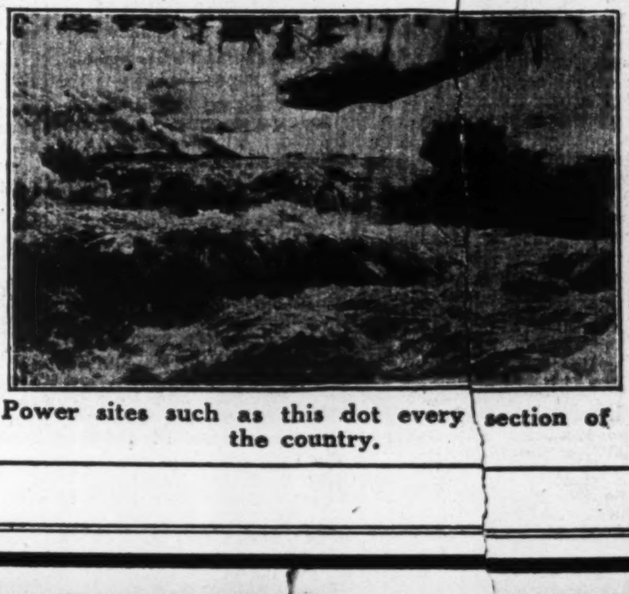


The Corner Brook Pulp and Paper Plant, now being operated by the International Paper Company

See the Resources for Yourself

THE many opportunities and resources of Newfoundland are comparatively little understood by outsiders. Only in the last few years has the public at large gained any considerable knowledge of the vast potential wealth of this section. The developments pending in the Millertown lead-copper-zinc-section, and the growth of the pulp and paper industry, is beginning to focus attention on this northern section.

Anyone interested, even remotely, in the business or industrial opportunities offering here, would be well advised to visit the country and see for himself. Such a decision is one that will bring no regrets. Newfoundland is easily reached, with the maximum of comfort, by modern steamships from Liverpool, New York, Boston, Halifax, Montreal or Sydney. It offers hotel accommodation the equal of that found anywhere, and attractions in summer resorts, fishing and hunting that are hardly equalled anywhere. A trip here will be both a benefit and a pleasure.



Power sites such as this dot every section of the country.

Government Offices

St. John's Newfoundland

Power Corporation of Canada

Rapid Appreciation in Shares Reflects Success Achieved by This Holding Corporation Since Its Inception

The success achieved by the Power Corporation of Canada since its inception has been reflected in the appreciation of its common shares, which sell now at a high level, despite the fact that no dividends are being paid.

The Power Corporation formerly controlled and operated three small power companies in the Ottawa valley, which have been sold to the Gatineau Power Co., the subsidiary of the International Paper Co. The price at which all the properties were sold netted the Power Corporation a handsome profit.

Last autumn, the corporation increased its capitalization by the issue of $5,000,000 in debentures. The proceeds of the financing were used in acquiring further securities of public utilities.

Chiefly Holding Company

The business of the corporation is largely that of a holding company; it owns the shares of several widely distributed power properties. In addition, it supervises the management, for a fee, of the properties it controls and provides experienced management and engineering services to other properties as well, such as the Montreal Island Power Co.

The Power Corporation owns the controlling interest in the Canada Northern Power Corporation and its subsidiaries, and the East Kootenay Power Co. In addition, it owns a very substantial block of stock in the Southern Canada Power Co., the Winnipeg Electric Co., and the Manitoba Power Co., the Dominion Power and Transmission Co., and the Foreign Power Securities Corporation, Ltd.

The common shares of the corporation are regarded as an attractive long hold purchase. One point about the capitalization of the company is the fact that its 6 per cent. second preferred stock is non-cumulative, so that whether dividends be paid or not on the second preferred stock, it does not affect the position of the common shares. The earnings of the Power Corporation continue to show a material increase as compared with a year ago.

Pay First Dividend

The corporation declared in 1927 an initial dividend on its second preferred stock, which gives some indication of its earnings and the steadily improving position occupied by the common shares. When the corporation presents its annual report for the year ending June 30 next, there can be no doubt but that both gross and net revenues will show the same decided appreciation experienced during the 1927 fiscal year.

In view of the fact that the common stock pays no dividends at present, there is a feeling that the present market valuation of the common stock may be optimistic, but it is an optimism which is based on the steady expansion of the corporation's subsidiaries, the probability of the acquisition of other companies and new developments, and on the excellent showing which has already been made in the comparatively few months since the inception of the company. The recent increased dividend declarations of such companies as Winnipeg Electric, Manitoba Power, and Southern Canada Power, naturally improves the position of the corporation.

Capitalization—

	Authorized	Outstanding
Common .... (No par value)	250,000 shs.	200,000 shs.
Pref. non-cum. 6% (Par $50)	$5,000,000	$2,500,000
Pref. 1st cum. 6% (Par $100)	5,000,000	5,000,000

Funded Debt—

Convert. debent. 5%, series "A," due 1957 .... $5,000,000

Dividend Record—

First pref. 6% per annum, payable quarterly Jan., Apr., July and Oct. 15. Initial quarterly dividend of 1½% paid Oct. 15, 1925.

On second pref. initial dividend of 75 cents a share paid Oct., 1927. No dividends have been paid on common.

Officers and Directors—

A. J. Nesbitt, pres.; J. B. Woodyatt, vice-pres.; N. A. Timmins, P. A. Thomson, J. M. Robertson, A. W. McLimont, Col. J. R Moodie, L. C. Haskell, sec.; M. M. Cox, asst. sec.; C. Johnstone, treas.; F. D. Lamont, asst. treas.

Income and Surplus Account Years End. June 30.

	1927	1926
Gross revenue	$796,635	$324,477
Expenses	68,299	52,611
Interest	48,012	8,132
Taxes	18,872	17,348
	135,183	78,091
Net earnings	661,452	246,386
Dividends	217,139	145,454
Surplus	444,313	100,932
Prev. surplus	100,932	......
	$545,245	$100,932

Market Record—

	1927 High	1927 Low	x1928 High	x1928 Low
Common	80¼	27¼	85½	70½
Preferred	100	94	102	99

xTo Feb. 25.

Montreal Island

Work Has Commenced on Development Back of City of Montreal

Subsidiary of Power Corporation of Canada

Preliminary engineering work has commenced on the plant of the Montreal Island Power Co., which is controlled by strong interests. The company is to develop 40,000 horsepower on the Ottawa River at the back of Montreal Island. The site is located but seven miles from the heart of the city. The site has a potential capacity of 65,000 horsepower.

The company has entered into a contract with Montreal Power whereby that company will purchase all the power from the development for a period of thirty years, with provision for an extension of the contract for a further like period. The power is to be taken in specified annual instalments until the entire capacity is absorbed. By the end of 1929, 40,000 horsepower should be available from the site. The company is controlled by the Power Corporation of Canada; Montreal Power also has an interest in the undertaking. The preferred stock is an interesting, long hold purchase for a business man. It will probably be some time after 1929 before the company is making sufficient to meet its preferred stock dividend. These dividends accrue from the beginning of this year. For a five year hold, the common stock should appreciate.

The strength of the company lies in the strength of those behind the undertaking. The contracts for the construction of the plant have been let.

When this project was first discussed it was met with some skepticism, for many people could not see how the Nesbitt, Thomson group could succeed in finding a market for power in the territory of Montreal Light, Heat & Power, Cons. The Gordian knot was sliced when the power was sold to the latter company.

Capitalization—

	Authorized	Outstanding
Common .... (No par value)	75,000 shs.	75,000 shs.
Preferred 6% .... (Par $100).	$1,000,000	$1,000,000

Funded Debt—

First mortgage, 5½%, series "A", due 1957, $8,000,000.

Directors—

J. S. Norris, G. H. Montgomery, H. Milliken, H. B. Hope, P. T. Davies, J. S. H. Wurtele, H. E. Walker.

Southern Canada Power

Valuable Stock Rights and Enlarged Dividend Are Return Shareholders Get for Sticking with Strikingly Successful Company

Affiliated with Power Corporation of Canada

The increase in the dividend of the Southern Canada Power Co. last year from $2 to $3 per share indicates that during the current year there is a chance that the company will pay $4 a share on its stock. Whether or not 1928 will witness another increase in the dividend depends on the progress of earnings during the year and the attitude of the management.

Earning figures of the company over a period of years have month by month practically unfailingly shown an increase. Earnings are still increasing.

The annual income account of the Southern Canada Power Co. reveals only a small margin over dividend requirements. But the small surplus seen in the income account can be traced to the large depreciation allowances made each year. The company allows 10 per cent. of its gross for depreciation, as against a charge by most other companies of 5 per cent.

Growth of Assets is Rapid

The present ratio existing between the company's fixed assets and its depreciation account reveals that Southern Canada Power is conservative in its accounting methods and has built itself up into a satisfactory position, which is the stronger as the company has expanded rapidly in the past six years. The growth of the fixed assets has been rapid; despite this growth, the ratio between depreciation reserve and fixed assets is more than ample; thus the company's position looks all the more satisfactory.

During the year just completed the shareholders were offered new stock at a price which gave them valuable rights. Due to the growth of the territory which it serves there can be little doubt that the company's growth in the future will be maintained and valuable stock rights will be available to the shareholders from time to time.

The Southern Canada Power develops all its own energy and no purchases are made from other companies. A large block is sold to Shawinigan under a profitable 15 year contract. The Hemmings Falls plant produces 36,000 horsepower. The Drummondville plant has a capacity of 18,000 horsepower; making a total installation in the plants of 64,000 horsepower. Controlled under leases which have 61 years yet to run, the company owns water powers with an ultimate capacity of 160,000 horsepower.

There has been a gratifying increase in the past twelve months in the number of customers served. In addition, the company is steadily extending its transmission lines and reaching out and connecting up further municipalities. The company serves the prosperous Eastern townships district of the province of Quebec, a section which lends itself readily to industrial development and in which Southern Canada has been successful in establishing a large number of new industries during the past five or six years. The company serves more than 600 industrial power users. No large proportion of its earnings are derived from any single source.

The company owns through stock ownership the Sherbrooke Railway and Power Co., which develops power and operates the tramway service in the city of Sherbrooke. The company has been active in promoting the sale of its shares to its customers and well over 25,000 customers now own stock. The customers mostly hold the preferred shares. The outlook for the company is excellent and the common shares are regarded as an attractive long-hold investment.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING SEPTEMBER 30

	1927 $	1926 $	1925 $	1924 $	1923 $	1922 $
Gross Earnings	1,534,280	1,389,131	1,213,665	1,150,863	953,970	843,565
Less Oper. Expenses	543,015	475,571	500,098	479,384	422,741	385,663
Net Earnings	991,265	913,560	713,567	671,479	531,229	457,902
Less: Interest Charges	357,413	333,068	269,305	270,958	275,057	306,847
Depreciation	153,000	138,900	121,365	115,100	102,000	410,000
Bad Debts	6,110	6,930	6,020	5,750	3,117	985
Net Profits	474,742	434,662	316,877	279,671	151,055	*259,930
Less Appropriations—						
Pref. Dividends	294,392	286,074	227,089	179,088	82,161	19,911
Common Dividends	180,000	100,000	100,000	100,000	......	......
Surplus for year	350	48,588	*10,212	583	68,894	*279,841
Add Previous Surplus	166,365	117,777	127,989	127,406	58,512	338,353
Bal. Carried Forward	166,715	166,365	117,777	127,989	127,406	58,512

*Deficit.

Capitalization—

	Authorized	Outstanding
Common shares .. (No par value).	100,000 shs.	60,000 shs.
Pfd. 6% shares .... Par $100.	$10,000,000	$4,919,000

Funded Debt—

First mortgage, 5%. Series "A," due 1955	50,000,000	6,000,000

Dividend Record—

Initial quarterly dividend of 1½ per cent. on preferred was paid April 15, 1920, which rate has been maintained to date. On common $1 was paid in 1923; $2 in 1924, 1925 and 1926; $3 in 1927.

Officers and Directors—

J. B. Woodyatt, pres. and gen. man.; W. K. Baldwin, M.P., James Davidson, P. A. Thomson, J. S. H. Wurtele, vice-pres. and plant mgr.; P. T. Davies, vice-pres. and commercial mgr.; J. S. Gillies, W. H. Miner, R. R. Moodie, A. J. Nesbitt, George Parent, K.C., J. M. Robertson, vice-pres.; L. C. Haskell, sec.; C. Johnstone, treas.; V. J. Nixon, asst. sec.

Market Record—

Year	Preferred High	Preferred Low	Common High	Common Low
1924	..	..	73	48
1925	..	..	84	67
1926	104½	99	100	81
1927	113	99½	140	85
1928x	161	114	107⅞	105

xTo Feb. 25.

Wahnapitae Power

Company Serving Flourishing Sudbury Area Enjoys Increasing Earnings

(Note: Not a subsidiary of Power Corp. of Canada, although financed by similar interests)

While the annual earning statement of the Wahnapitae Power Co. are not published, it is understood that earnings of the company are increasing and that its financial position is being strengthened. The investment interest in the property is confined to its bonds, for which there exists a strong and steady market.

The company owns under long term lease three water powers on the Wahnapitae River in the northern section of Ontario. Power is sold and distributed in Sudbury and the surrounding area, in which there is a steadily growing demand for electric energy. The nickel industry has materially improved its position during the past two years. From this the company has naturally benefited. Earnings are substantially above bond interest requirements.

Capitalization—

	Authorized	Outstanding
Common stock .... (Par $100).	$1,000,000	$710,400

Funded Debt—

6½% first mortgage sinking fund gold bonds, due 1944 ..	1,000,000	500,000

Officers—

W. McVittie, pres.; Alex. H. Skene, sec.-treas.; mgr. and pur. agent; K. McRae, supt.

East Kootenay

New Steam Plant Placed in Operation to Supplement Hydro Power

Subsidiary of Power Corporation of Canada

During the year just concluded, the East Kootenay Power Co. placed a new steam plant in operation. The plant was erected to add to the capacity of the company's hydro plants and at the same time to take care of the load during periods of low water. There is an inexpensive supply of coal available in the area adjacent to the new steam plant.

The first steam unit of 6,500 horsepower has been completed and the plant has been constructed so that the second 6,500 horsepower unit may be installed at any time. It is anticipated that the second unit will be required at a comparatively early date.

Serves Coal Mines

Excluding the power supplied to the Consolidated Mining and Smelting Co., which is rapidly extending its operations, the largest power consumers in the East Kootenay territory are the coal mines. Labor troubles have been eliminated from the coal mining industry in the area and conditions are once more fairly prosperous. Earnings of the company during the current fiscal year which ends March 31 next, are understood to be virtually at about the level of the preceding year.

The East Kootenay owns two powers in British Columbia on the Bull and Elk Rivers. The Bull River plant has an installation capacity of 7,200 horsepower and was put into operation in 1923. The Elk River plant has an installed capacity of 15,000 horsepower and commenced operating in 1924, making a total of over 28,500 horsepower in the company's two hydro and one steam plant. Over 5,000 horsepower is supplied to the Consolidated Mining and Smelting Co.'s concentrator at Kimberly and to the Sullivan Mines. In addition, power is supplied to towns such as Fernie and Cranbrook and to the various coal mines adjacent to the plant.

The Power Corporation of Canada owns a controlling interest in the outstanding shares of the company. East Kootenay is managed by the parent holding organization.

Capitalization—

	Authorized	Outstanding
Common .... No par value.	50,000 shs.	30,000 shs.
Pref. 7% .... Par $100.	$5,000,000	$ 750,000

Funded Debt—

First gold 7 per cent., series "A," due 1942 .... $1,961,000

7 per cent. bonds, series "B," due 1942 300,000

Dividend Record—

Preferred 7 per cent. payable quarterly, Mar., June, Sept. and Dec. 15. Paid regularly since Sept., 1924.

None paid on common.

Officers and Directors—

A. J. Nesbitt, pres.; J. B. Woodyatt, vice-pres.; E. R. Parkins, G. W. Scott, P. A. Thomson, L. C. Haskell, sec.; W. J. Muir, C. Johnston, treas.; V. J. Nixon, asst.-sec.

Profit and Loss—

Years ending Mar. 31	1925	1926	1927
Revenue	$322,422	$377,236	$408,706
Misc. rev.	......	572	......
	322,422	377,808	408,706
Less: op. exp.	45,762	82,969	126,157
Taxes	13,905	17,042	6,000
Written off	2,900	5,400	6,950
Depreciation	66,000	45,000	40,450
Int. charges	153,240	174,119	173,143
	281,807	324,530	352,700
Net profits	40,615	53,278	56,006
Pref. divds.	34,625	52,500	52,500
Balance	5,990	778	3,506
Prev. bal.	1,621	7,611	8,389
P. & L. bal.	7,611	8,389	11,895

Market Record—

	1926 H	1926 L	1927 H	1927 L	1928* H	1928* L
Com.	38	25	29¼	25	25	25
Pref.	..	..	100	95	100½	99

* To Feb. 25.

Power

...in TRANSIT

RUBBER from tropical jungles, sturdy poles from northern forests, cotton from the south, and copper from many mines are all necessary in making the equipment which, carrying the power of the waterfall to the outlets where it is to be used, makes electric power the servant and not the master of man.

The maintenance of adequate electrical service depends to a large extent on the care with which these raw materials are selected and manufactured into equipment for the transmission of power.

In the Cable Department of the NORTHERN ELECTRIC COMPANY, where the high-tension cables for the transmission of power to the distributing stations are made, skilled craftsmen combine the raw materials garnered from the four corners of the world to manufacture cable that will bring the current safely from the generating plant to a distributing plant situated conveniently to serve your needs.

Eloquent of the ripe experience that these workers bring to the manufacture of NORTHERN ELECTRIC cable is the fact that ninety-two workmen in this department have been employed between fifteen and twenty years in the manufacture of cable.

Information ...

Every year, more and more NORTHERN ELECTRIC cable is used to distribute Canada's great resources of hydro-electric power for the use and development of Canadian industry and to serve Canadian homes. The NORTHERN ELECTRIC COMPANY appreciates the opportunity to help this way in the creation of the greater industrial Canada of tomorrow.

Northern Electric
COMPANY LIMITED
Equipment for Transmitting Sound and Power

236

In the service of industry

Shop Supplies

FROM a tiny twist drill to a 20 ton Chain Hoist you will find in our branches large and varied stocks of shop supplies and small tools. In selecting the individual items in these stocks we have chosen lines that have won world-wide acceptance because of their thorough dependability, and we are proud to be the chosen distributors of such famous lines as Graton & Knight Standardized Leather Belting, Dick's Balata Belting, Norton Grinding Wheels, Yale Hoists, Brown & Sharpe Tools, Three-M-ite Abrasive Cloths & Papers, &c.

Our general catalogue lists an unusually wide range of supplies and machinery. Our nearest branch will gladly send it to you.

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A reliable, old established company giving assured service at the lowest rates.

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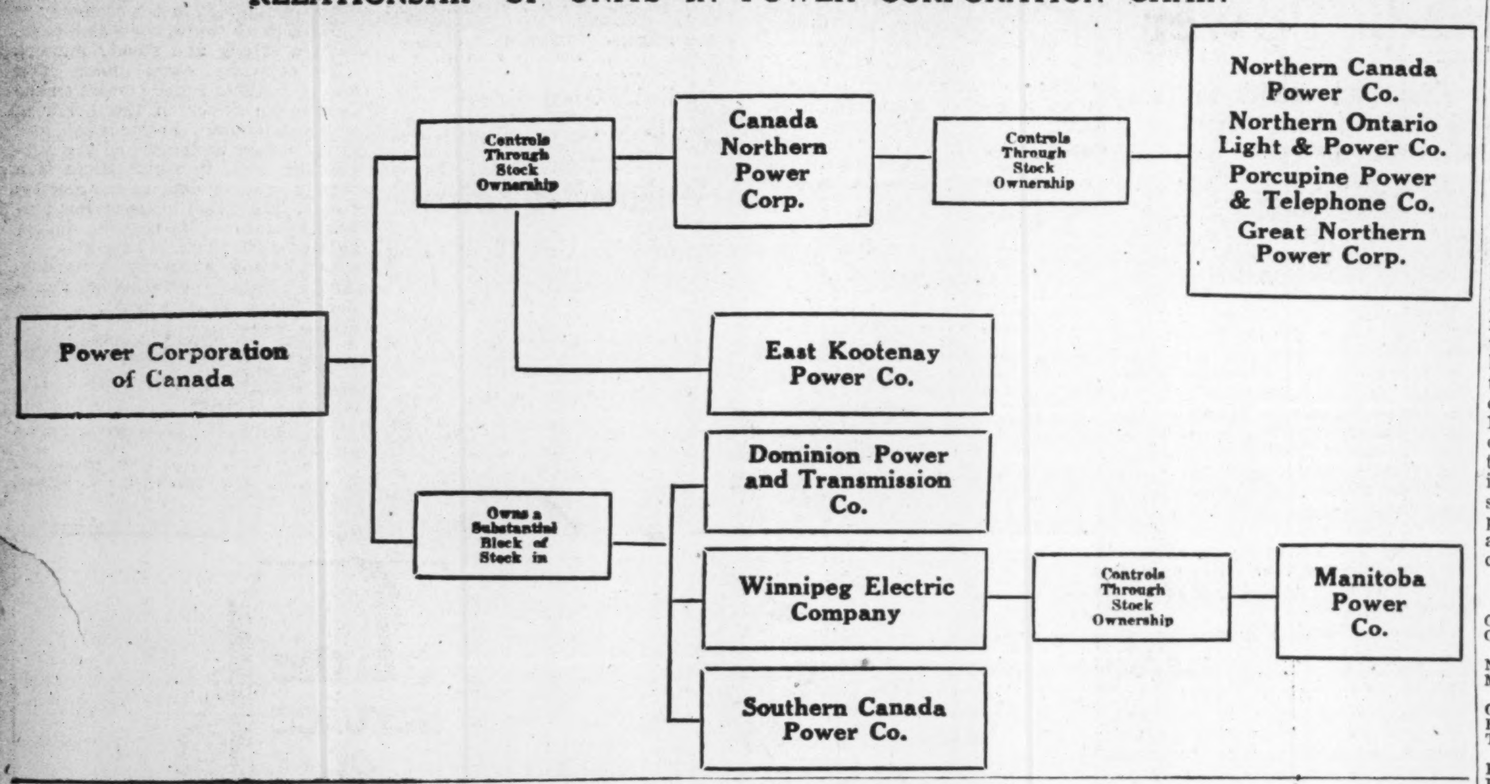
Our engineering service is always at the disposal of our patrons or prospective patrons, and we shall be very pleased to furnish information or assistance.

New Brunswick Power Company
Limited
Saint John, New Brunswick

RELATIONSHIP OF UNITS IN POWER CORPORATION CHAIN


Power Corporation of Canada
Controls Through Stock Ownership
Canada Northern Power Corp.
Controls Through Stock Ownership
Northern Canada Power Co.
Northern Ontario Light & Power Co.
Porcupine Power & Telephone Co.
Great Northern Power Corp.
East Kootenay Power Co.
Owns a Substantial Block of Stock in
Dominion Power and Transmission Co.
Winnipeg Electric Company
Controls Through Stock Ownership
Manitoba Power Co.
Southern Canada Power Co.

Winnipeg Electric Co.

Company is Most Important as Power-Producing Unit and is Now Expanding with Very Fine Customer Relations

Affiliated with Power Corporation of Canada

The betterment in the position of the Winnipeg Electric Co. over the past few years has been due to the improvement in the position of the Western farmer, which, in turn has been reflected in improved business conditions in the city of Winnipeg, coupled with a larger demand for the company's services. In addition, mining developments in Northern Manitoba and pulp and paper develments there have contributed to the success of the Winnipeg Electric's subsidiary, the Manitoba Power Co. The parent company owns 62 per cent. of the stock of the Manitoba Power.

Foresee $4 Dividends

Winnipeg is the business and industrial centre of Western Canada and just as long as the farmers of the West continue to receive a price for their grain which enables them to operate profitably, the Winnipeg Electric Co. will probably continue to make progress. Last year Winnipeg Electric paid out $3 per share in dividends as against $2 in the preceding year. It is significant to note, though, that the recent initial dividend declaration of the Manitoba Power Co. increased the income of the parent company by an amount more than sufficient to take care of the extra $1 payment. Hence, there are many investors who feel that the current year will witness $4 annual dividends to the shareholders. Winnipeg Electric has not yet benefited to the full by the industrial expansion which has already taken place in Winnipeg and in the area served by the company and its subsidiary. Earnings have increased and will probably increase more in the future with the extension of the power capacity of the subsidiary company.

The company supplies the tramways, gas and electric power service of Winnipeg and its environs. As the city owns and operates its own hydro-electric system the company is not without competition in its sale of power. But relations between the privately owned and the publicly owned company seem now to be on a satisfactory basis and the two competitors have arrived at a sensible agreement which prevents too keen competition and includes the sale of power over a term of years by the Winnipeg Electric to the publicly owned utility.

Future is in Power

While the Winnipeg Electric's revenue from tramways and gas has increased over the past year, yet the future of the company seems to lie more in the power field than in these other utilities. The tramway service is operated under a perpetual franchise, which may be revoked at the end of any five year period. The present franchise expires in 1932. The tramway service has not proved much of an asset of late years, but earnings are improving.

Winnipeg Electric owns a 29,000 horsepower hydro-electric plant on the Winnipeg River at Pinawa and a 12,000 horsepower auxiliary steam plant. The company, though, purchases and sells under contract a portion of the output of its power subsidiary. The operations of the subsidiary are reviewed elsewhere in this issue, as there is a separate investment interest in the company.

Valuable Stock Rights

Last year the shareholders of Winnipeg Electric and its subsidiary were both offered new shares in the company at figures well below prevailing market levels. There can be little doubt that Winnipeg will continue to grow in future and with such growth the company will require further financing from time to time. Some of the funds acquired for further expansion will be obtained by the sale of stock to the shareholders at a figure which will give the stockholders valuable rights.

Some years ago the company was not on the best of terms with customers, but times have changed and so has the Winnipeg Electric Co. The company has distributed its shares to the Winnipeg public, many of whom now own preferred stock in the company. The company has built up a substantial goodwill by taking the public into its confidence, by judicious advertising and by the distribution of bulletins among its customers. The public relations of the company are now excellent. In all, Winnipeg Electric and its subsidiary serve about twenty municipalities. The future outlook for the company is excellent. There is a possibility of increased dividends again this year.

Capitalization—

	Authorized	Outstanding
Common	$15,000,000	$15,000,000
Pref. 7% cum.	10,000,000	4,156,900

Par value $100.

Funded Debt—

6% refund. stock or bonds, due 1954	$ 4,380,000
6% first refund. mtge., sinking fund gold, due 1935	4,998,000
6% refund mtge., due 1954	7,000,000

Officers and Directors—
A. W. McLimont, pres. and gen. man.; J. S. Mackenzie, treas.; L. Palk, secretary; A. W. McLimont, W. R. Bawlf, vice-pres.; G. V. Hastings, W. J. Bulman, P. A. Thomson, A. J. Nesbitt, S. L. Fuller, W. H. Carter, J. B. Woodyatt, N. J. Breen, J. B. Coyne, K.C.

Dividend Record—
Preferred dividends are being paid quarterly, Jan., Apr., July and Oct. 1.

Common dividends were paid at rate of 8 per cent. per annum up to Jan., 1908; increased to 10 per cent. April, 1908; and to 12 per cent. from July, 1911, until first quarter of 1915, when 2½ per cent. was paid; this rate was maintained until fourth quarter of 1915, when 2 per cent. was paid (making 9½ per cent. for year 1915), dividend then passed until Feb. 1, 1925, when 1 per cent. was paid, 1 per cent. each paid Aug., 1925, Feb. and Aug., 1926, Feb., Aug. and Nov., 1927.

Stock Ownership—

	Issued	Held by W. E. Co.
Wpg.-Selkirk Rly.	$500,000	$ 490,000
Sub. Rapid Transit	100,000	100,000
Manitoba Power	100,000 shs.	1,655,666
Wpg. River Power	100,900	....

Market Record—

	Common		Preferred	
	High	Low	High	Low
1912	269	210	..	..
1913	218¼	187	..	..
1914	205	180	..	..
1915	180	180	..	..
1916	110	90	..	..
1917	81	36	..	..
1918	48	48	..	..
1919	49	34¾	..	..
1920	42	26	..	..
1921	48	30	..	..
1922	46½	30¼	88	79½
1923	42¼	26½	87¼	80
1924	38½	24	87½	74
1925	53⅞	35¼	99	88
1926	64	45¼	104	95
1927	104½	60¾	110	100¾
1928*	119½	98	115	107

*To Feb. 25.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING DECEMBER 31

	1926 $	1925 $	1924 $	1923 $	1922 $	1921 $
Gross Earnings	5,566,034	5,211,665	5,128,324	5,280,407	5,395,223	5,418,024
Less Oper. Expenses	3,408,550	3,301,904	3,379,497	3,465,893	3,526,715	3,559,380
Net Earnings	2,157,484	1,909,761	1,748,827	1,814,514	1,868,508	1,858,644
Less: Depreciation	201,050	201,050	201,050	201,050	201,050	201,050
Bond Interest	915,962	872,914	700,463	663,480	643,028	633,331
Taxes	173,229	163,966	155,512	162,471	164,639	164,314
Other Deductions	221,895	208,881	211,678	245,869	247,320	293,440
Additional Depreciation	187,538	173,000	165,000	156,003	138,460	122,606
Net Profits	457,810	289,950	315,124	385,641	474,011	443,903
Other Income	111,721	157,604	139,186	127,706	121,854	161,406
Total	569,531	447,554	454,310	513,347	595,865	605,309
Less Appropriations—						
Bal. Power Contract	......	......	279,692	......	......	......
Preferred Dividends	210,000	210,000	210,000	210,000	210,000	182,367
Common Dividends	220,000	220,000	110,000	......	......	......
Deferred Charges	58,355	158,955	1,814,890	......	......	......
Sink. Fund Reserve	73,100	73,100	......	55,320	56,550	57,420
Surplus for year	8,076	†214,501	†1,960,272	248,027	329,315	365,522
*Add Previous Surplus	334,752	594,788	2,516,514	2,301,176	2,047,791	1,766,052
Bal. Carried Forward	342,828	380,287	556,242	2,549,203	2,377,106	2,131,574

*Adjusted. †Deficit.

Manitoba Power

Additional Units Are Being Installed in Plant to Meet Demands

Subsidiary of Winnipeg Electric Company

The initial $2 dividend on the shares of the Manitoba Power Co. declared at the end of 1927 came as a surprise to the shareholders. The magnitude of the disbursement bears witness to the increased demand for power in Manitoba during the past year or two.

The Winnipeg Electric Co. holds about 62 per cent. of the outstanding 150,000 shares of Manitoba Power. In January the parent company received over $120,000 in dividends from the subsidiary; at that time the subsidiary had 100,000 shares outstanding.

In 1927 Winnipeg Electric shareholders received $1 per share more than in the preceding year. This additional disbursement by the parent company has been more than made up by the $120,000 which the parent company has received from its subsidiary. Winnipeg Electric has outstanding 110,000 common shares.

Building Two New Units

The present installation in the plant of the Manitoba Power Co. consists of four 28,000 horsepower units, with provision for the installation of two more units. The company has already decided to install these further two units, which instead of being of 28,000 horsepower capacity, will be somewhat larger. It is understood that the storage facilities of the company on the Winnipeg River will be increased to allow the installation of the larger units.

A great betterment in the position of the Manitoba Power Co. has taken place in the past year through the increase in its generating capacity, at Great Falls on the Winnipeg River, and the extension of its transmission lines. During 1927 the consumption of the company's power production has more than doubled.

In addition to supplying the parent organization with power, Manitoba Power supplies the new Manitoba precious metal mining fields and the Manitoba Paper Co. at Pine Falls. The paper company takes some 20,000 horsepower — a load which ultimately can be expected to increase.

Rights Granted Shareholders

In 1927 the company issued a further $1,500,000 in first mortgage bonds to cover in part the cost of installing the fourth unit at its plant. No doubt the installation of the two last units at the plant will also be financed by a further issue. During the past month or two the shareholders were offered valuable rights to subscribe to new stock when the capitalization was increased from 100,000 shares to 150,000 shares. The outlook for the future of the property is excellent. It depends for earnings on the power which it wholesales to the parent organization, the power which it sells to the mining area, and the power sold to the paper company.

INCOME AND SURPLUS ACCOUNT
Years ending Dec. 31

	1926	1925	1924
Gross earn.	$673,563	$666,053	$671,105
Oper. exp.	122,274	118,454	102,627
Net oper. rev.	551,289	547,599	568,478
Misc. income	12,548	1,088	1,491
Gross profits	563,837	548,687	569,969
Bond interest	529,008	538,825	533,492
Taxes	19,921	7,099	24,827
Balance	14,908	2,763	11,650
Depreciation	14,000	......	......
Net income	908	2,763	11,650
Adj. surplus	21,782	18,819	10,827
P. & L. bal.	22,690	21,582	22,477

Market Record—

	1927		1928*	
	High	Low	High	Low
Stock	96½	50	123	85

*To Feb. 25.

Capitalization—

	Authorized	Outstanding
Common	100,000 shs.	100,000 shs.

No par value.

Funded Debt—
1st mge. bds. 'A' 5½% due 1957 $10,000,000
1st mge. bds. 'B' 5½ due 1952 $1,500,000

Dividend Record—
Initial dividend of $2 paid Jan. 16, 1928.

Officers and Directors—
A. W. McLimont, pres.; A. J. Nesbitt, W. J. Bulman, P. A. Thomson, J. B. Woodyatt, E. Anderson, W. R. Bawlf, vice-pres.; N. J. Breen, S. L. Fuller, W. E. Blodgett, treas., L. Palk, sec., S. N. Currie, asst. sec.

Foreign Power

Canadian Owned Enterprise Controls Big Developments in France

Affiliated with Power Corp. of Canada

The financing of the Foreign Power Securities Corporation about a year ago marked the entry of Canadian interest into the foreign power development field. The assets of the corporation are composed of a substantial interest in the securities of L'Energie Industrielle and indirectly in all this company's subsidiaries as well as directly in two of these subsidiaries, namely, L'Union Hydro-Electrique Americane and Societe Hydro-Electric du Sud-Est. The parent company in France has been in successful operation since 1906 and owns, controls or operates ten subsidiaries. The aggregate hydro-electric resources of the company and its subsidiaries are capable of developing 122,600 horsepower, of which 43,600 horsepower is now installed and in operation. The steam plants develop 44,300 horsepower and in addition a further 44,000 horsepower is purchased, making a total of 131,900 horsepower which the companies have available and sells over their transmission and distributing lines. The operations, with the exception of a small plant serving 3,000 tomers at Madagascar, are

(Continued on page 23)

Constructive Financing

The securities of Public Utility Companies, supplying essential services to prosperous communities, are among the safest of investments. In the past we have played a prominent part in the financing of such Companies as:—

Avon River Power Company
5½% Bonds due 1956

Maritime Telegraph and Telephone Company
all issues

Nova Scotia Tramway and Power Company
all issues

Trinidad Consolidated Telephone
6% Bonds and Common Stock

Trinidad Electric
5% Bonds and Common Stock

Quinte and Trent Valley Power Co.
Bonds and Preferred Stock

Full information on request

JOHNSTON AND WARD

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ELECTRIC RAILWAY
AND GAS

THE British Columbia Electric Railway Company serves 375,000 people in 26 communities over an area of 1500 square miles on the coast of British Columbia.

The rapid expansion of these communities has called for similar expansion in the electric power, tramway and gas systems; until now the company has $75,000,000 invested in British Columbia.

There is now under construction the first two units of the Bridge River power development which will provide 60,000 additional horse power in 1930 and which has an ultimate capacity of nearly 700,000 horse power.

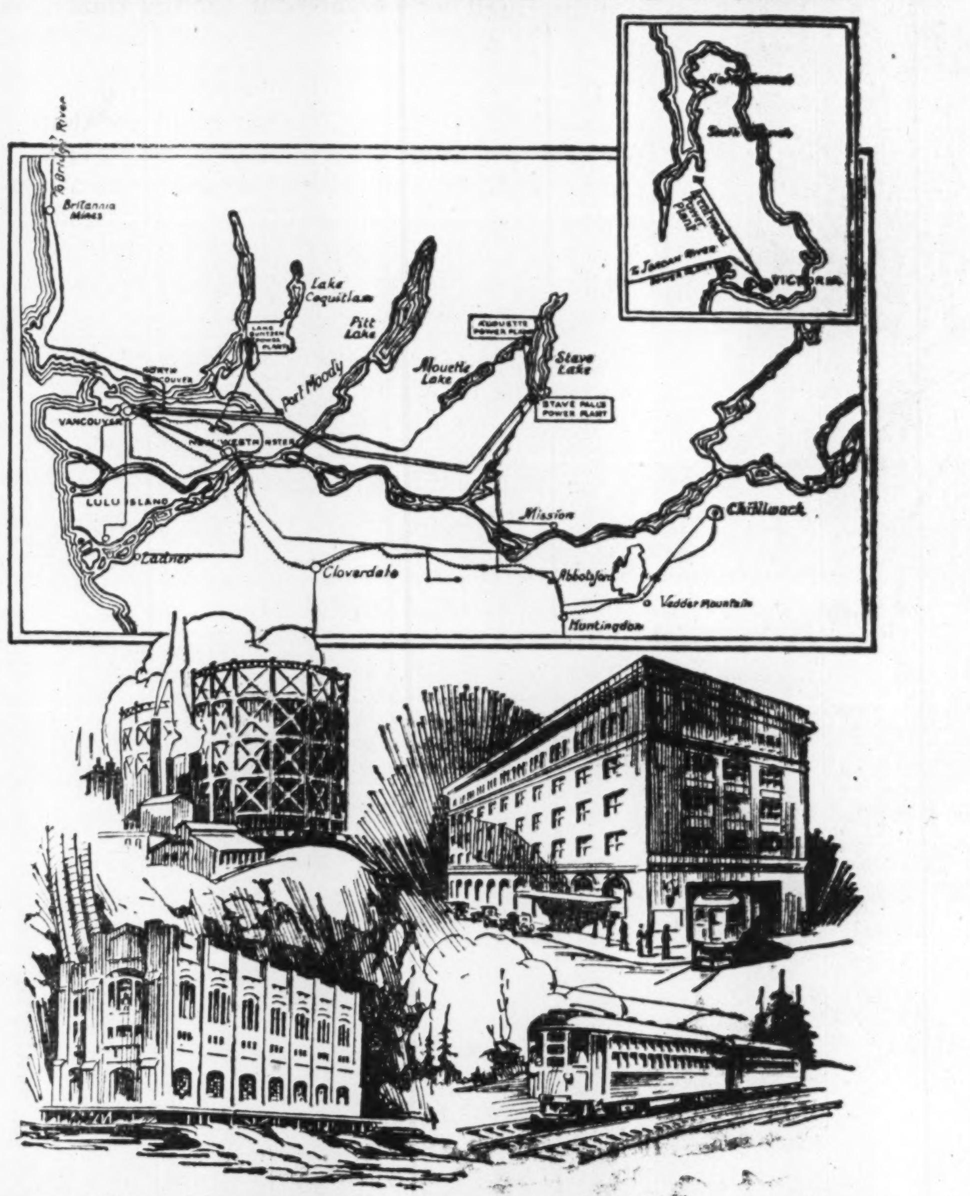
FACTS AND FIGURES ABOUT THE COMPANY

It has six hydro-electric power plants and two steam power plants.
It operates 352.52 miles of electric railway.
It carried 75,113,022 passengers in the year ending June 30, 1927.
It has 94,611 light and power customers.
It generated 403,986,536 kilowatt hours in 1927 (year ending June 30).
It has 367 miles of gas mains and 36,484 gas customers.
It manufactured 1,052,320,700 cubic feet of gas in 1927 (year ending June 30).

President: George Kidd, Vancouver, British Columbia

London Office
Stafford House, 14-20 King William Street
London, E.C.4

BRITISH COLUMBIA ELECTRIC RAILWAY CO.



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Canada Northern Power

Will Spend Three Million Dollars in Extensions to Its Various Plants and Properties — Controls Several Companies

Subsidiary of Power Corporation of Canada

The Canada Northern Power Corporation is engaged on a development program this year which will involve the expenditure of some $3,000,000 in extensions to its plant and property. The corporation, through its subsidiaries, controls the power supply of the mining districts of Northern Ontario and Northwestern Quebec. The component companies have been linked by transmission lines, so that extra loads in one section of the mining districts may be borne by the whole, and water shortages at one plant may be met by supplying energy from others. There has been a steady expansion in the demand for power in the territory during the past year. By next spring, the company will have installed another 20,000 horsepower at its Quinze power plant. The expansion will tend to augment earnings materially. The Canada Northern Power Corporation is controlled by the Power Corporation of Canada through ownership of its common stock. The company, though, in turn, controls several subsidiaries. These are: the Northern Canada Power, the Northern Ontario Light and Power, the Porcupine Power and Telephone Co., and the Quinze Power Co. In the last two companies, the Canada Northern Power owns all the stock, but there is some investment interest in the other two companies, which are reviewed separately elsewhere in this issue.

Simply Holding Company

In addition, the Great Northern Power Corporation has leased its entire assets for 20 years to the Northern Canada Power Co. which owns all the shares of this company also.

As the Canada Northern Power is simply a holding company, its fixed assets consist of investments at cost in subsidiary companies. A fractional portion of the outstanding common stock of the Northern Canada Power and the Northern Ontario Light and Power Co. is still held publicly.

The plants which the parent company controls have a combined capacity of 76,500 horsepower and an ultimate capacity of 116,000 horsepower. The developed, capacity is now being increased by an additional two units at the Quinze plant. The transmission systems of the component companies comprise some 550 miles of high tension lines. All the important centres of the mining area are served.

The territory served is being rapidly expanded by the growth of the mining industry. Obviously, also, there has been a consequent increase in the demand for power from the company's lines. The next year or two should witness a decided increase in the Canada Northern's earning power. In the meantime, the company is improving its service by interconnecting its subsidiaries by more lines and by extending its lines to new fields.

Capitalization—

	Authorized	Outstanding
Common (No par value).	75,000 shs.	50,000 shs.
Cum. pref. 7%	$7,500,000	$5,000,000

Funded Debt—

Collateral trust 6½ per cent. bonds, due 1941	$3,000,000

Dividend Record—

Preferred dividends payable quarterly, Jan., Apr., July and Oct. 15.

Officers and Directors—

A. J. Nesbitt, J. B. Woodyatt, vice-pres.; F. O. Blackwell, Dan. McLachlin, P. A. Thomson, N. A. Timmins, E. R. Wood, Hon. S. C. Mewburn, J. H. Black, L. C. Haskell, Chas. Johnstone, treas.; H. A. Seymour, asst. sec.-treas.; M. M. Cox, asst. sec.; F. D. Lamont, asst. treas.; B. N. Harrison, gen. mgr.

Profit and Loss—

	1925
Revenue	$295,460
Expenses	13,991

INCOME AND SURPLUS ACCOUNT
Year end: Dec. 31

	1926	1925
Gross earnings	$2,562,185	$1,035,851
Expenses	746,439	347,688
Net earnings	1,815,746	688,163
Deduct:		
Interest	823,357	290,027
Discount	......	189,407
Bad debts	105	......
Year's surplus	992,284	208,728
Previous surplus	*655,780	1,052,858
Total	1,648,065	1,261,587
Deduct:		
Preferred divds.	449,309	267,006
Common dividends	79,238	30,360
Minority surplus	104	14,928
Depreciation	425,000	274,364
Lawsuit	......	575,000
Total deduct	953,651	*1,161,659
P. & L. balance	694,413	99,927

* Includes surplus of additional companies acquired during 1926.

Nor. Canada Power

Operations Have Been Consolidated with Parent Company

Subsidiary of Canada Northern Power

Most of the common stock of the Northern Canada Power Co. is owned by the Canada Northern Power Corporation, the parent company. But some of the company's stock is still in the hands of the public and in addition its bonds are publicly held.

The operations of the Northern Canada Power have been consolidated with those of the Canada Northern. The subsidiary operates four hydro-electric plants, with a present capacity of 50,000 horsepower and an ultimate capacity of 90,000 horsepower. Three of these are on the Mattagami River in Northern Ontario and the fourth is on the Quinze River, Que. The last is the largest of the group and is at present developing 20,000 horsepower; the output is now being doubled. The Wawatin Falls plant on the Mattagami develops 16,000 horsepower, the other two at Sandy Falls and Sturgeon Falls developing 5,000 and 9.000 horsepower respectively. The Quinze River plant has an ultimate capacity of 60,000 horsepower. Any additional installation beyond the present 20,000 horsepower can be completed at low cost per horsepower, as a large portion of the work has been completed.

Like the parent company, the Northern Canada Power has benefited and probably will benefit more in the future by the expansion of the Northern Ontario and Northern Quebec mining industry.

Capitalization—

	Authorized	Outstanding
Stock (Par $100).	$6,000,000	$6,0[illegible]

Canada Northern Power Corp. owns about 90% of the stock.

Funded Debt—

6 per cent. first mortgage, series "A," due 1945	$6,000,000
7½% debenture notes, due 1930	1,000,000

Dividend Record—

Quarterly dividends of 75 cents per sha[illegible] are being paid Jan., Apr., July and O[illegible] 15.

Officers and Directors—

A. J. Nesbitt, pres.; J. B. Woodyatt, vice-pres.; G. W. Scott, P. A. Thomson, L. C. Haskell, sec.; Chas. Johnstone, treas.; H. A. Seymour, asst. sec.-treas.; V. J. Nixon, asst. sec.

Quinze Power Company
(Controlled by Northern Canada Power)

Capitalization—

	Authorized	Outstanding
Stock (No par value).	20,000 shs.	20,000 shs.

Stock control held by Northern Canada Power.

Funded Debt—

1st mortgage 6% bonds, Series "A," due 1945	$2,650,000

Dividend Record—

No dividends paid.

INCOME ACCOUNT
Year Ended Dec. 31, 1926

Gross earnings	$301,[illegible]
Oper. expenses	48,584
Taxes	90,100
Net earnings	162,[illegible]
Bond interest	159,0[illegible]
Other interest	3,654

Northern Ontario Light

Subsidiary of Canada Northern Power Co.

The Northern Ontario Light and Power Company is selling its entire output of power and in addition is purchasing a supply from the Great Northern Power Corporation. Further power will soon be required by the company to carry its load; this can be obtained from the Quinze plant of the Canada Northern Power with which the lines of the Northern Ontario Light and Power are linked by transmission lines.

Less than two years ago, the Northern Ontario Light & Power Co. came under the aegis of the Canada Northern Power Corp. which acquired most of the common stock outstanding. And since it was acquired, a good deal has been spent for improvements to equipment, and to better the service generally. While business from the Cobalt mining camp has been less satisfactory than of yore, the Kirkland Lake area which has expanded has decidedly more than offset the quietness of the mining industry in Cobalt itself. Earnings from the property are therefore increasing.

Demands Slacken

At Ragged Chutes, the company generates 5,000 horsepower in a hydraulic air compressor plant. At Hound Chutes, there is a 4,000 horsepower plant, and a third power development at Fountain Falls, on the Montreal River, and a fourth on the Metabetchouan River. The total power developed amounts to some 25,000 h.p.

Due to the slackening of the mining industry in Cobalt, the demand for power from the company's plants during the past year has not been particularly satisfactory, but the property has been linked up with the other power developments in the Canada Northern chain, which in itself provides increased earnings.

The company own a groundwood pulp mill which has a capacity of 40 tons of pulp daily.

Capitalization—

	Authorized	Outstanding
Common	$5,000,000	$4,585,000
Pref. 6% (Par $100).	2,500,000	2,400,000

Funded Debt—

First mortgage 6%, due 1946.	$4,900,000

INCOME AND SURPLUS ACCOUNT
Years Ending Dec. 31

	1926	1925
Gross earnings	$1,250,065	$1,416,657
Power purchased	15,247	52,557
Operating	249,942	439,963
Taxes	75,543	82,907
Net revenue	909,333	841,229
Bad debts	......	1,460
Interest	350,277	301,777
Depreciation	234,000	200,000
	584,277	503,237
Net profits	325,056	337,992
Preferred dividends	142,968	142,968
Common dividends	181,288	90,644
Surplus	800	104,380
Prev. surplus	579,386	475,007
Bal. car. forward	580,186	579,387

Dividend Record—

Preferred dividends were paid regularly at rate of 6% per annum from Jan. 1, 1912, to and including Jan. 15, 1921. Regular payments were resumed July, 1923, when 9% was paid, including 3% on account of back dividends. All arrears of dividends have now been paid up, the payment on Jan. 24, 1925, of 3% regular and 3% balance of accumulated pref. dividends, clearing up all arrears. Payments semi-annually, Jan. and July, 15th. On common, 4% per annum, payable quarterly. Initial dividend of 1% paid Oct., 1925.

Officers and Directors—

A. J. Nesbitt, president; F. O. Blackwell, vice-pres. E. R. Parkins, Alex. Fasken, G. W. Scott, J. B. Woodyatt, vice-pres.; P. A. Thomson, D. G. Allan, general mgr.; L. C. Haskell, sec.; C. Johnstone, treas.; V. J. Nixon, asst. sec.; H. A. Seymour, asst. sec.-treas.

Great Northern Power

Subsidiary of Canada Northern Power Co.

The Great Northern Power Corp. has leased its entire assets to the Northern Canada Power Co. for twenty years. The latter, under the terms of the lease, is allowed to deduct from the gross revenues annually, the sum of $20,000 with which to meet operating expenses on the property. Revenues over and above the operating charges, up to a maximum of $100,000 annually will go to the Great Northern Power Corp.

Under the contract the Great Northern Power Corp. obtains an annual revenue of not less than $75,000, which is nearly $15,000 in excess of its bond interest requirements.

The parent company now owns virtually all of the common stock of the subsidiary.

Capitalization—

	Authorized	Outstanding
Capital stock (No par value).	12,500 shs.	12,500 shs.

The Northern Canada Power Co. owns 6,250 shares of the stock.

Funded Debt—

1st mortgage 6% bonds, Series "A" due 1946	$1,030,000

Bonds are called for redemption on May 1, 1928.

Dividend Record—

No dividends paid.

Officers and Directors—

A. J. Nesbitt, pres.; P. A. Thomson, vice-pres.; L. C. Haskell, sec.; Chas. Johnstone, treas.; J. B. Woodyatt, E. R. Parkins, L. C. Haskell.

INCOME ACCOUNT
Year Ended Dec. 31, 1926

Gross earnings	$64,394
Oper. expenses	19,636
Net earnings	44,758
Other income	559
Interest on bonds	10,300
Depreciation	35,000
Surplus for year	$ 17

Dominion Power

Hamilton Enterprise Has Improved Its Position in Last Year or Two

Affiliated with Power Corp.

Dominion Power and Transmission Co. is one of those utility companies which has been doing much better in the last two or three years. The company, the head office of which is in Hamilton, operates the street railway in that city, the Grimsby and Beamsville suburban railway, the Brantford and Hamilton railway, and is extending its bus services.

Probably its most profitable enterprise, however, is the retailing of electricity, principally to the large industrial consumers, in Hamilton and the Brantford and Niagara districts. The company owns a 50,000 horsepower plant at Decew Falls, near Thorold, Ont., and operates an auxiliary steam plant with a capacity of 26,800 horsepower at Hamilton. The company also buys power from the Canadian Niagara Power Co. plant at Niagara Falls.

Dominion Power has two competitors. The first competitor is the civic owned Hydro-Electric System in Hamilton and the second is the jitney and private bus operator in Hamilton and between Hamilton and the suburban places served by the company's railways. Generally, however, the company is distributing power in larger units to the manufacturing companies, leaving the city hydro to serve the domestic user of electricity. The city jitney is to be eliminated in the current year and better earnings for the street railway should result. The company recently has achieved a greater degree of good-will than it has held for many years. Grimsby, for instance, has granted the company an exclusive franchise.

The preferred stock of this company is a good utility preferred stock and is held by investors. The common stock is speculative and inactive. The book value is high and recent rumors that the Hydro-Electric System of Ontario was negotiating for the purchase of the company, resulted in a rapid rise in the stock on the Toronto Curb market. Whether or not a purchase is contemplated, it may be said that the long term outlook for the company is fairly attractive.

Capitalization—

	Authorized	Outstanding
Common	$15,000,000	$7,700,000
Pref. 7% cum.	10,000,000	5,211,600

Funded Debt—

5 per cent. first gold, due annually to 1932, $5,452,000, and bonds of subsidiaries outstanding, $2,321,000.

Market Record (Toronto Curb)—

	1926 H	1926 L	1927 H	1927 L	x1928 H	x1928 L
Preferred	101¼	101¼	102	100	..	..
Common	.....	.....	...	...	57	54

xTo. February 29.

Officers and Directors—

W. E. Phin, pres.; Sir John Gibson, Lieut.-Col. J. R. Moodie; J. Dixon, treas.; C. A. Birge, J. B. Woodyatt, A. J. Nesbitt, J. Dickenson, J. Moodie, Hon. S. C. Mewburn, C. W. G. Gibson, G. D. Fearman, sec.; W. G. Angus, mgr. power and light; Geo. E. Waller, mgr. of railways.

Dividend Record—

	Pref.	Com.
1907	6%	..
1908	3	..
1911	7+3	..
1912	7+3	..
1913	7+6½	..
1914	7	..
1915	7	..
1916	7	4
1917	7	4
1918	7	4
1919	7	4
1920	7	4
1921	7	..
1922	7	..
1923	7	..
1924	7	2
1925	7	..
1926	7	..
1927	7	..

INCOME AND SURPLUS ACCOUNT, YEARS TO DECEMBER 31

	1926	1925	1924	1923	1922	1921
Gross Earnings	$3,219,910	$3,120,509	$3,132,438	$3,361,335	$3,830,558	$3,758,947
Less Oper. Expenses	2,143,861	2,189,069	2,311,841	2,315,976	2,810,924	2,846,288
Net Earnings	1,076,049	931,440	820,597	1,045,359	1,019,634	912,659
Less: Bad Debts	1,836	1,571	7,193	3,302	2,966	2,670
Interest	419,992	429,205	447,273	460,812	442,883	446,116
Depreciation	332,159	354,058	35[illegible],812	320,832	256,884	......
Exchange	......	......	......	......	24,600	59,186
Income Tax	......	......	......	......	7,296	15,613
Net Profits	322,062	146,605	13,319	260,413	285,005	389,074
Less Appropriations—						
Pref. Dividends	313,751	296,730	277,727	258,837	258,837	257,677
Common Dividends	......	......	138,032	......	......	......
Surplus for Year	8,311	*150,125	*402,440	1,576	26,168	131,397
Add Previous Surplus	528,848	678,973	1,08[illegible],413	1,098,091	1,071,922	940,526
Less Welland Electric	......	......	......	18,254	......	......
Balance Carried Forward	537,159	528,848	678,973	1,081,413	1,098,090	1,071,923

* Deficit.

FOREIGN POWER

(Continued from page 24)

tributed throughout France, including Brittany and the cities of St. Nazaire and Cannes, the Pyrenees and the cities of Bayonne and Biarritz, the Cote d'Azure and the cities of Mentone and Monte Carlo. In all, the 972 communities served have a combined population approximating 1,200,000—the entire system has a total of about 175,000 connected customers.

The Canadian company was financed a year ago by an issue of preferred stock carrying a bonus of common. The future outlook for the company coincides with the possibility for hydro-electric development and expansion in France. The international market for the franc also affects the value of the Foreign Power Securities Corporation shares. The market value in France of the shares of the subsidiary companies has increased since the acquisition of the control of the properties by Canadian interests.

Capitalization—

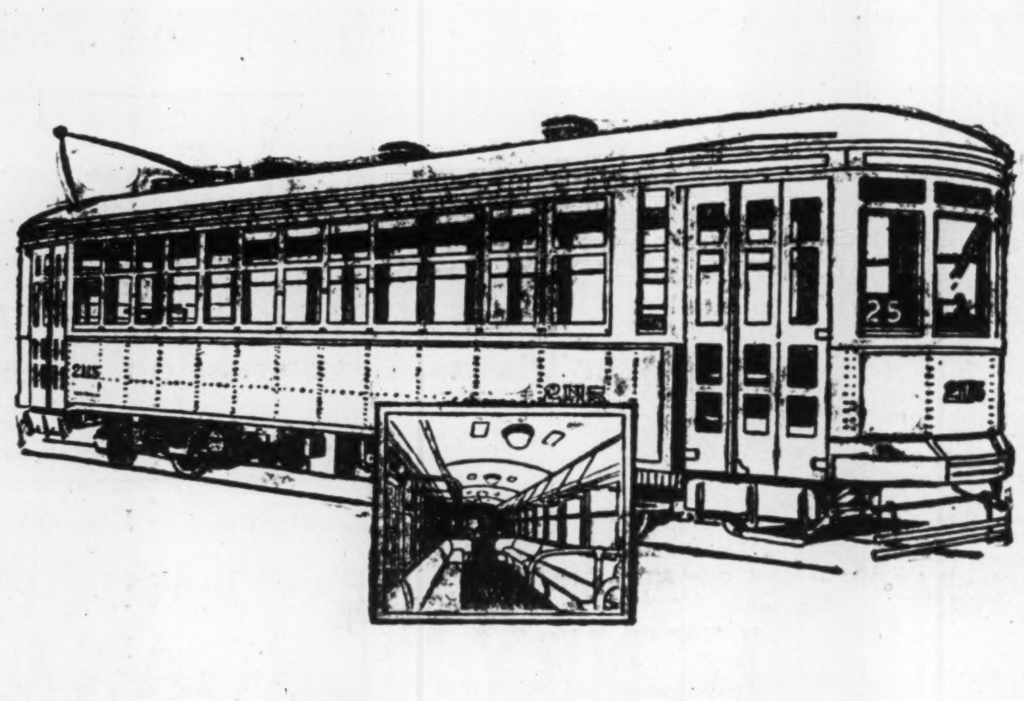
Common stock, 20,000 shares, no par value. No preferred stock.

Funded Debt—

7% 1st mortg. bonds, due Aug. 1, 1947	$750,000

Officers and Directors—

J. A. Brilliant, pres. and mgr.; R. O. Sweezey, P. E. Gagnon, secretary; J. E. Pinault, Frank Battles, D. I. McLeod, R. M. Robinson, F. J. Brown, J. A. Desjardins.



IN TUNE WITH THE TIMES

THE law of progress is a constant challenge to transportation companies in all the great cities of the world.

The constantly growing city of Montreal calls for a continual extension of transportation facilities and this need has been met with the addition of modern high-powered motor buses and new equipment in tramcars.

The Montreal Tramways Company has always endeavoured to be up to the minute in taking advantage of every real improvement in car design, and is constantly experimenting with the best that is offered in recent inventions that make for the comfort and convenience of its patrons.

The car above shown is one of the latest types that has appeared on the streets of Montreal, and has every modern feature that is of real value in recent car design.

The Company in 1918 entered into a contract with the City of Montreal, which was later ratified by provincial legislative acts, by which it is granted the right to conduct its business in Montreal until 1953. Under this contract, a commission is created whose duties are to administer the terms of the contract and to otherwise safeguard 'the interests of the city, the Company and the public.

There is no more sound public utility investment on this Continent than that of the Montreal Tramways Company

MONTREAL TRAMWAYS COMPANY

STEEL and IRON PRODUCTS OF EVERY DESCRIPTION

Sales
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TORONTO
VANCOUVER
HALIFAX

THE STEEL COMPANY OF CANADA LIMITED

Offices
MONTREAL
WINNIPEG
VICTORIA
ST. JOHN

Establish-d 1910

Corporation Financing

AS Investment Bankers we purchase, for our own account or with associates, entire issues of public utility, industrial and real estate securities.

These we sell through an extensive distributing organization to private investors and institutions throughout this Continent and abroad.

The following are some of the Corporations whose securities were purchased and sold by us at the time of the original offering.

ABITIBI POWER & PAPER CO., Limited.
THE ALBERTA PACIFIC GRAIN CO., Limited.
THE BELL TELEPHONE CO., of Canada.
BELGO CANADIAN PAPER CO., Limited.
THE BRANTFORD CORDAGE CO., Limited
BROMPTON PULP & PAPER CO., Limited
CANADA BISCUIT CO., Limited.
CANADIAN BRONZE CO., Limited.
CANADA STEAMSHIP LINES, Limited.
CANADIAN PACIFIC RAILWAY CO.
DRUMMOND INVESTMENT CO., Limited
GATINEAU POWER CO.
HOWARD SMITH PAPER MILLS, Limited.
INTERNATIONAL PAPER CO.
INTERNATIONAL POWER CO., Limited.
JAMAICA PUBLIC SERVICE CO., Limited.
LAKE ST. JOHN POWER & PAPER CO., Limited.
LONDON REALTY CO., Limited.
MONTREAL LIGHT, HEAT & POWER CONSOLIDATED.
MONTREAL TRAMWAYS CO.
PAGE-HERSEY TUBES, Limited.
QUEBEC POWER CO.
SHAWINIGAN WATER & POWER CO.
UNITED SECURITIES, Limited.
SPANISH RIVER PULP & PAPER MILLS, Limited.

The Greenshields Catalogue, now in its Seventh Edition, analysing and describing over 50 leading Canadian securities, has come to be accepted by the investing public as an authoritative and reliable guide. A copy will be sent on request.

Write for Catalogue A

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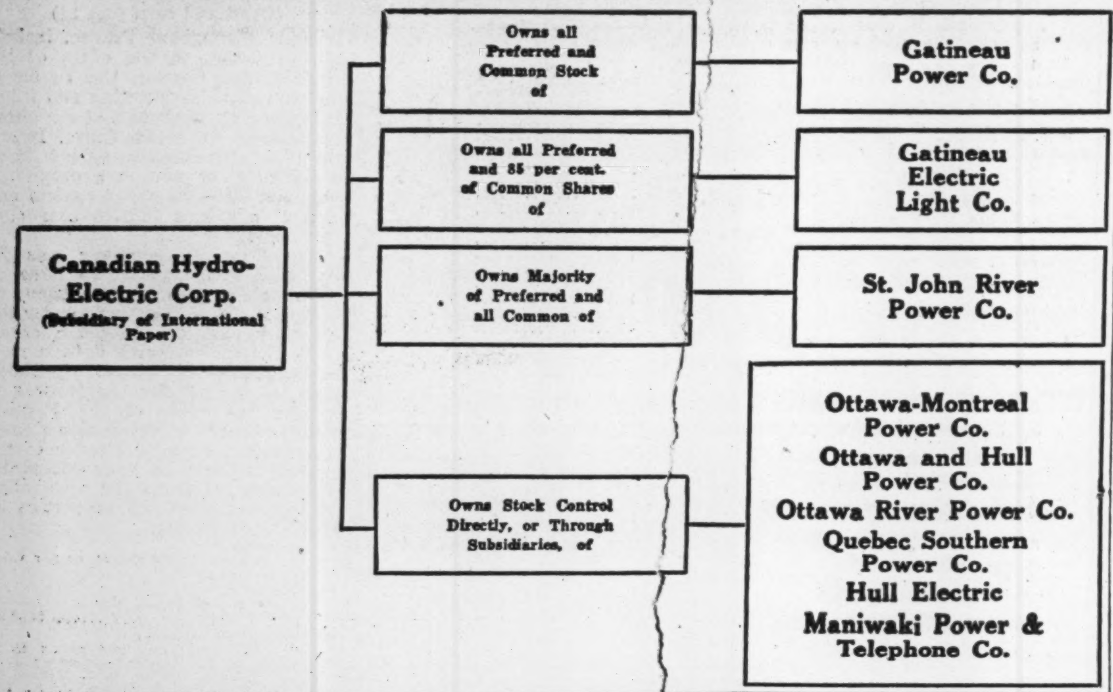
INTERNATIONAL PAPER'S CANADIAN POWER INTERESTS


Canadian Hydro-Electric Corp.
(Subsidiary of International Paper)
Owns all Preferred and Common Stock of
Gatineau Power Co.
Owns all Preferred and 85 per cent. of Common Shares of
Gatineau Electric Light Co.
Owns Majority of Preferred and all Common of
St. John River Power Co.
Owns Stock Control Directly, or Through Subsidiaries, of
Ottawa-Montreal Power Co.
Ottawa and Hull Power Co.
Ottawa River Power Co.
Quebec Southern Power Co.
Hull Electric
Maniwaki Power & Telephone Co.

Canadian Hydro-Electric Corp.

Recently Formed Power Subsidiary of International Paper Company is Already in Control of Many Promising Public Utility Enterprises

Subsidiary of International Paper Company

Incorporated at the end of 1927, the Canadian Hydro Electric Corporation is the latest link to be forged in the Canadian power development plans of International Paper Company. The scheme of development which includes practically every phrase of power development and distribution is one of the most ambitious that has yet been undertaken in Canada. The common stock is owned by the Canadian International Paper. The power subsidiary has assumed a position in the front rank of power producers and distributors in Canada.

Canadian Hydro-Electric Corporation is virtually the holding company for all the power operations and projects of International Paper in Canada. Its three important subsidiaries are the Gatineau Power Company. the Gatineau Electric Light Company and the St. John River Power Company. Its interest in the three companies includes all the preferred and common shares of Gatineau Power Company; all the preferred and 85 per cent. of the common shares of the Gatineau Electric Light Company and a majority of the preferred and all the common shares of the St. John River Power.

Interest is in Gatineau

At the present time, interest centres chiefly on the Gatineau subsidiaries in which Gatineau Power assumes the place of the generating company and Gatineau Electric Light, the distributing company. Gatineau Power at the present time has an installed hydro electric capacity of 174,000 horsepower which supplies power for the operation of the Gatineau mill of International Paper, and upon the completion in October, 1928, of its present installation program, there will be available a total of something over 400,000 horsepower.

Through its distributing company, Gatineau Electric Light Company, the corporation operates transmission lines and wholesale and retail distribution systems covering more than 5000 square miles and serving a population of something like 220,000 people. By the end of 1927 this company had acquired the business formerly owned by Bonhomme Electric Company, Papineauville Electric Company, Hull Electric Company, Maniwaki Power and Telephone Company, Quebec Southern Power Corporation, the Laurentian Hydro Electric Company, Ottawa-Montreal Power Company and Napierville Lighting. In February, 1928, this system was further rounded out by the acquisition of the Ottawa and Hull Power Company and ef is subsidiary the Ottawa River Power Company. These last two companies are engaged entirely in the wholesale distribution of power and have a present installed capacity of about 60,000 h.p. and an ultimate capacity of over 100,000 h.p. Whether or not the controlling company will further extend its acquisitions and operations in this territory is a matter for conjecture; at the present time the Canadian Hydro-Electric has virtually the dominant position in the power situation in and about the Ottawa and Gatineau rivers. Eventually, all these smaller plants will be connected with each other and with the Gatineau River Power plant by a system of modern high tension transmission lines which serve not only the industrial fields but also the growing number of domestic and farm users.

Also in Maritimes

The other field of activities of Canadian Hydro-Electric Corporation is in the province of New Brunswick, which is being developed through its subsidiary the St. John River Power Company. This company has acquired the power rights at Grand Falls on the St. John River and is now constructing a hydro electric power plant at that point which when completed will have a capacity of 76,000 horsepower. This plant is now well under way and is expected to be placed in operation within a short time. It will be the largest hydro electric development in the Maritime provinces and the initial installation will be 60,000 horsepower in three generators of 20,000 horsepower each.

To guarantee the completion of these various undertakings now under way, cash estimated to be sufficient to complete the present construction program of Gatineau Power (except for a future expenditure of $874,000) is held in escrow. The International Paper Company has agreed to lend the Canadian Hydro-Electric Corporation the $874,000 on demand and also to advance at 6 per cent. interest any funds that may be necessary for the completion of the St. John River Power construction work which is estimated will cost $6,500,000.

Up to 400,000 Horsepower

Canadian Hydro-Electric Corporation will by the end of 1928 have an installed hydro-electric capacity of between 300,000 and 400,000 horsepower. Most of this power has already been spoken for and long term contracts have been arranged with the Ontario Hydro-Electric Power Commission, Canadian International Paper, Canada Cement Company, Fraser Companies Limited, New Brunswick International Paper Company, The Hull Electric, The Ottawa Electric Company, and the E. B. Eddy Company. The fact that this power is distributed on both a wholesale and retail basis, gives added stability to the company's earning power.

Capitalization—

	Authorized	Outstanding
Common ..... (No par value)	1,000,000 shs.	1,000,000 shs.
1st pref. 6% cum.	x37,500,000	12,500,000
2nd pref. non-cum. .... (Par $100)	25,000,000	25,000,00

xOf this amount $25,000,000 is to be reserved for the conversion of outstanding 6% non-cumulative second preferred.

Funded Debt—
None.

Dividend Record—
Dividends—6% per annum on 1st preferred cumulative from Dec. 1, 1927, payable quarterly, Mar., June, Sept. and Dec. 1.

President—
A. R. Graustein.

Gatineau Power

Large Increase in Earnings in Future is to be Expected

Subsidiary of Canadian Hydro-Electric Corporation

The Gatineau Power Co. is the chief subsidiary of the new holding company the Canadian Hydro Electric Corporation which was incorporated under Dominion charter to acquire all the hydro-electric undertakings of International Paper Co. in Canada. As far as the investing public was concerned this was a matter of no particular concern because both the common and preferred shares of this company were previously held by International Paper Company and not by the public. Now, however, these preferred and common shares of Gatineau Power have been turned over to Canadian Hydro Electric Corporation and there still will be in the hands of the public $50,000,000 of the Gatineau Power bonds. For the future the Gatineau Power's earnings should increase largely.

Gatineau Power, which is the hydro-electric generating company for International Paper, owns outright or holds through long term government lease holds, water power sites in Quebec with an aggregate potential capacity of something like 700,000 horse-power. The company has been passing through two years of intensive hydro-electric development on the Gatineau river and by the autumn of this year it will be operating an installed capacity of something over 400,000 horsepower. Of this, 196,000 horsepower will be developed at the Paugan Falls plant, 92,000 horsepower at the Farmers Rapids plant and 131,000 horsepower at the Chelsea plant. At the present time the Chelsea and Farmers Rapids have an operating installation of 174,000 horsepower which is supplying power for the operation of the Gatineau newsprint mill. The Paugan plant which is some 25 miles farther upstream, has not yet been brought into operation but is expected to be completed by October, 1928. In addition to these three plants on the Gatineau River, there is also an installed capacity of 24,000 horsepower on the Ottawa river which is supplying power to the parent company's Kipawa sulphite mill.

Two Big Contracts

The two predominant power contracts which the company hold are with the Canadian Internationad Paper Company and with the Ontario Hydro-Electric Power Commission. The parent company holds a 30 year contract for the purchase of a minimum of 74,000 horsepower per annum to be used at the Gatineau newsprint mill and at the Kipawa pulp mill. The Hydro-Electric Commission is to purchase 80,000 horsepower during the year beginning October 1, 1928; this amount will be increased annually, thereafter, until the maximum of 260,000 horsepower is being used by the commission at the close of 1931. This latter contract is also for a 30 year period.

The company has disposed of over 90 per cent. of its initial primary

Capitalization—

	Outstanding
Common	x500,000 shs. (no par value)
Preferred ..	x$25,000,000 6% cum.

x All owned by International Paper Co., except directors' qualifying shares.

Funded Debt—

6% Sinking fund gold debentures, due 1941	$12,380,000‡
1st Mortgage gold bonds, 5% series, due 1956	43,500,000†

† Additional first mortgage bonds may be issued under the conservative restrictions of the trust deed.

‡ Of the $12,500,000 debentures originally issued $120,000 debentures have been retired by sinking fund.

Officers—
A. R. Graustein, pres.; J. B. White, vice-pres.; O. Shepherd, treas.; F. G. Simons, sec.

Ottawa River Power Ottawa & Hull Power

Canadian Hydro-Electric Corporation Buys Out Both Enterprises

Subsidiary of Canadian Hydro-Electric Corporation

While virtually all the common stock of the Ottawa and Hull and Ottawa River Power is being acquired by the Canadian Hydro Electric Corporation, yet there still remains an investment interest in the senier securities of these two companies which in 1927 did a substantially larger business than in 1926.

The Ottawa and Hull Power owns control of the common stock of the Ottawa River Power. The passing of the control of both companies into the hands of the International Paper Company's large Canadian power subsidiary adds greater strength to the senior securities of both companies which are still in the hands of the public.

The Ottawa & Hull Power, excluding its subsidiary, owns two power plants on the Ottawa River at Chaudiere Falls between the cities of Ottawa and Hull, which have an installed capacity of 40,000 horsepower. The output is sold to the Ontario Hydro-Electric Commission for use in Ottawa, the Hull Electric, the city of Hull, and some industrial users under long term contracts.

The plant of the Ottawa River Power Co. provides for the installation of three 25,000 horsepower units, one of which to date has been installed.

Capitalization—

	Authorized	Outstanding
Common .... (No par value).	25,000 shs.	25,000 shs.
Preferred 7% .... Par $100.	$1,500,000	$1,500,000

Funded Debt—

6% first mortgage gold bonds, due 1948	$2,500,000

Dividend Record—
On preferred dividends of 7 per cent. per annum paid quarterly, Mar., June, Sept. and Dec. 15. Paid regularly since Dec., 1923. No dividends have been paid on common.

Officers and Directors—
A. J. Nesbitt, pres.; E. R. Bremner, vice-pres.; J. A. Cameron, J. B. Fraser, F. E. Bronson, Dan McLachlin, J. B. Woodyatt, H. S. Harrison, asst. sec.-treas., L. C. Haskell, sec., C. Johnstone, treas.

Market Record—

	Common High	Common Low	Preferred High	Preferred Low
1925	45¾	44	..	..
1926	30¾	25	97	97
1927	42	26	100½	96
1928*	70	35	100¾	99

* To Feb. 25.

	12 mos. Ended Oct. 31 1927	14 mos. Ended Oct. 31 1926	12 mos. Ended Aug. 31 1925
Gross earn.	$398,793	$446,540	$367,610
Less:			
Exp. & tax.	97,068	97,713	79,492
Bond int.	150,000	175,000	150,000
Income tax	3,607	2,459	1,739
Deprec.	127,291	108,788	116,485
Net profits	20,827	62,580	19,894
Less approp. pref. div.	105,000	122,500	105,000
Surplus for yr.	x84,173	x59,920	85,106
Add prev. surp.	133,279	193,199	278,305
Bal. carr. fwd.	49,106	133,279	193,199

xDeficit.

Ottawa River Power

Capitalization—

	Authorized	Outstanding
Stock	30,000 shs.	30,000 shs.

(No par value). The Ottawa & Hull Power Co. owns the majority of the stock.

Funded Debt—

First mortg. 6½% bonds due 1953 ...	$15,000,000	$4,000,000

Officers and Directors —
A. J. Nesbitt, pres.; D. McLachlin, vice-pres.; Sir R. L. Borden, E. R. Bremner, W. H. Dwyer, J. B. Fraser, P. A. Thomson, J. B. Woodyatt, Hon. G. Bryson, L. C. Haskell, sec., C. Johnstone, treas., H. S. Harrison, asst. sec.-treas., N. J. Nixon, asst. sec.

Profit and Loss—

	Twelve months to Oct. 31, 1927	Ten months to Oct. 31, 1926
Gross revenue	$356,126	$274,953
Exp. & taxes	131,406	97,693
Balance	224,720	177,259
Interest	169,333	136,559
Balance	55,386	40,699
Depreciation	40,000	39,000
Surplus	15,386	1,699
Prev. surp.	1,699	.....
P. & L. bal.	17,086	1,699

Market Record—

	1927 High	1927 Low	x1928 High	x1928 Low
Stock	26	23	38	25

x To Feb.

Volcanic Gas

Holding Company for Union Natural Apparently is Prosperous

Volcanic Oil and Gas Co., Ltd., is an operating and holding company supplying natural gas to cities and towns in Western Ontario. The principal subsidiary is the Union Natural Gas Co., of Canada. The head office of the company is Niagara Falls, Ont., and it is popularly supposed that indirectly the company is controlled by Standard Oil Interests.

Earnings of the company are not disseminated. Apparently, however, the company is making good progress, because the dividend rate of $1.40 per share was increased by an extra of five cents recently and shareholders were given the right to subscribe for new stock at $20 a share on the basis of one new for ten held. The outstanding stock amounts to 214,852 shares, before the new issues.

Jamaica Public Service

Company Has Remarkable Record of Success and Shows Steady Increase in Number of Customers

Canadian investment interest in the Jamaica Public Service Company centres on its issue of preferred stock, which is well secured both as to earnings and as to assets. The company has had a remarkable record of success extending over many years and the preferred shares are regarded as an excellent investment in their class.

During the past twelve months, the company steadily increased the number of customers served and many minor extensions to its property were carried out. The profits being made by the company are revealed in its steady increase both in gross and net published in its monthly earnings reports.

Customer-Ownership

To increase further its satisfactory public relations, the company authorized some years ago an issue of 7 per cent., preference, B shares, which have a par value of £1 each. The stock is held by the customers in Jamaica.

The company operates 26 miles of tramways in and about the city of Kingston, Jamaica, and also the entire power and light systems on the island. The present owners operate the company through able public utility operators; it has been under its present management for five years and during this period earnings have shown more than substantial increases.

Two power plants are operated — one steam and one hydro. The company controls also the only other hydro power site in Jamaica, so that there seems little possibility of competition in the future. Ever since its inception, the earnings on the property have shown a satisfactory growth and while the predecessor company did well, the earnings since the company came under its new ownership five years ago have shown even larger increases.

Not only is the company's income account satisfactory from an investment angle, but its balance sheet shows that it occupies a sound position. The balance sheet position is being steadily bettered.

By the retirement at the beginning of the year of all its outstanding underlying bonds without recourse to further financing, the company's position was again bettered. The policy of the directors over the last five years has been to plough back all earnings into the property instead of paying dividends on the common stock. As a result of this policy, the company's growth has been financed without additions to its funded debt. A small amount of additional preferred stock, though, has been sold to the customers. The increasing revenue from light and power customers has been such as to allow the company to make a reduction in its power rates this year. The outlook for the future is excellent.

Capitalization—

	Authorized	Outstanding
7% cum pref. ...... Par $100.	$ 750,000	$ 750,000
7% pref. "B" .... Par £1.	51,370 shs.	34,502 shs.
Common stock .... Par $50.	1,000,000	750,000

Bonded Indebtedness—

Jamaica Public Service 1st 6½%, due 1943	$1,000,000	986,000

Dividend Record—
Preferred 7 per cent. per annum, paid quarterly Jan., Apr., July and Oct. 1. Paid since Oct. 1, 1923. Dividends on West India Electric Co. capital stock were paid at annual rate of 5 per cent. quarterly from Jan., 1912, to Jan., 1923, Preferred "B" paid 1¾ per cent. July 1, 1925, and quarterly since. No dividends hav been paid on common.

Officers and Directors—
*Russell D. Bell, president; M. L. Sperry, vice-pres.; Abner Kingman, jr., vice-pres.; Daniel J. O'Donahoe; H. B. Sawyer, treas.; W. T. Crawford, sec.; A. S. Nicholls, mgr.

INCOME AND SURPLUS ACCOUNT
Years ending Dec. 31

	1926	1925	1924
Gross earn.	$652,103	$625,275	[illegible]
Less: oper. exp.	396,717	389,161	[illegible]
Net earn.	255,386	236,114	[illegible]
Less: interest	74,605	79,178	[illegible]
Net profits	180,781	156,936	[illegible]
Less approp.—			
Pref. divd.	52,500	45,500	[illegible]
Pref. 'B' divd.	8,438	3,761	......
Adjustments	1,635	50,340	[illegible]
Retire. res.	50,794	35,000	[illegible]
	113,367	134,601	[illegible]
Surp. for year	67,414	22,335	[illegible]
Add prev. surp.	83,757	61,422	[illegible]
Bal. car. for.	151,171	83,757	[illegible]

	Gross Earnings	Net Earnings
1908	$217,410	[illegible]
1909	236,065	[illegible]
1910	240,066	[illegible]
1911	263,108	[illegible]
1912	261,080	[illegible]
1913	284,841	[illegible]
1914	288,924	[illegible]
1915	274,317	[illegible]
1916	286,321	[illegible]
1917	287,210	[illegible]
1918	294,724	[illegible]
1919	383,664	[illegible]
1920	490,180	[illegible]
1921	536,866	[illegible]
1922	541,032	[illegible]
1923	not complete year	
1924	579,056	[illegible]
1925	625,275	[illegible]
1926	652,104	[illegible]
1927*	687,004	[illegible]

* For 11 months to Nov. 30.

Market Record—

	1926 H	1926 L	1927 H	1927 L	1928* H	1928* L
Pref.	99	96¼	105	97	115	[illegible]

* To Feb. 25.

HENRY MORGAN & CO. LIMITED
Factories - BEAVER HALL HILL - MONTREAL
Woodwork of all Descriptions
We manufacture and install
Interior Trim, Office Partitions
Fine Wood Panelling
Industrial Spray Painting
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Power Plants, Transmission Lines, Interior Wiring, Etc.
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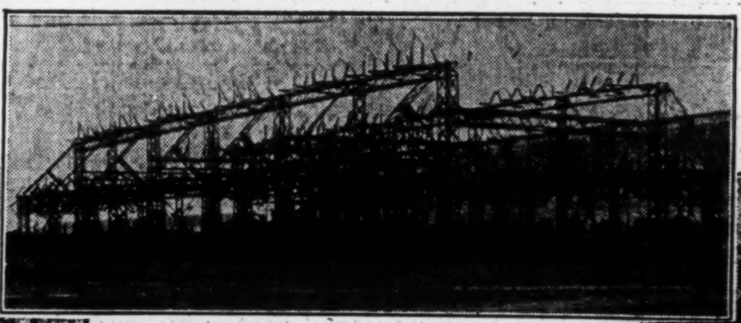
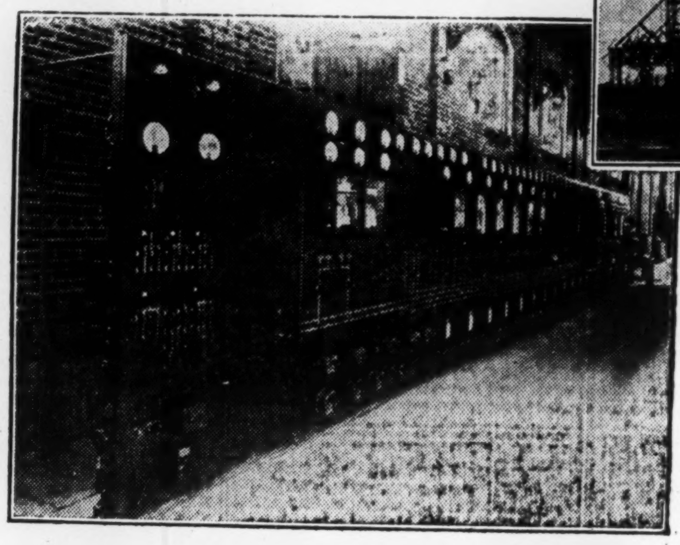
HENRY MORGAN & CO. LIMITED

ELECTRICAL CONSTRUCTION



110,000 volt outdoor sub-station. All electrical construction work was performed by Canadian Comstock.



Main control switchboard, controlling 6,600 volt indoor switching and 110,000 volt outdoor switching.

Oil circuit breakers controlling 13,200 volt feeder distribution.

ACHIEVEMENT SPEAKS

It is increasingly evident that any electrical installation job may be entrusted to this company with the full confidence that it will be carried through to a thorough and successful finish.

2½ inch extra heavy copper tubing feeding 6,600 volt 42,000 k.v.a. electric boilers.

Typical installation of remote control for 2,200 volt motor distribution.

CANADIAN COMSTOCK COMPANY LIMITED
COMSTOCK COMPANY LIMITED
New Birks Building: MONTREAL
331 Bay Street: TORONTO

Brazilian Traction

Great Enterprise Remains One of Most Interesting Utility Speculations with Outlook Apparently as Good as Outlook for Leading Companies in Canada

Brazilian Traction, Light and Power Co. is a holding company for the operating subsidiaries selling electric power, gas, street railway service and telephone to the people of Brazil in Rio de Janiero and Sao Paulo and environs of those two places. Thus, Brazilian Traction as an investment combines the attractions that lie in investment in Montreal Power, Montreal Tramways, Bell Telephone Co. of Canada, and Consumers' Gas Co. of Toronto.

While Montreal Tramways and Montreal Power serve a population of approximately one million persons, Brazilian Traction serves more than two million persons with tramway services and gas and electric power. This compares with the 700,000 persons in the area served by Consumers' Gas Co. of Toronto. While Bell Telephone Co. of Canada serves a population of approximately 5,600,000 in the provinces of Ontario and Quebec, there are 6,800,000 persons living in the area served by the Brazilian Telephone Co., which is one of the Brazilian Traction subsidiaries.

Has No Funded Debt

A prominent Montreal investment house recently made a comprehensive analysis of Brazilian Traction and there are some significant comparisons in the growth of the Canadian companies mentioned and Brazilian Traction in the last seven years. For instance, while the number of passengers on Montreal Tramways has increased 9 per cent. in the last seven years, tramway passengers in Brazil have increased in number 32 per cent. While Montreal Power customers have increased 34 per cent. in the last seven years, Brazilian Traction Power customers have increased 50 per cent. While Montreal Power gas customers have increased 23 per cent. in the last seven years, Brazilian Traction gas customers have increased 29 per cent. Montreal Power electricity sales have grown 29 per cent., while Brazilian Traction electricity sales have grown 44 per cent.

It is not belittling the great strides made by these important Canadian companies to point out that Brazilian Traction has been growing even more rapidly. It is only when one compares the Brazilian Telephone service with Bell Telephone that it is found that the growth of Bell Telephone has been more rapid. The number of telephones in the Bell system in Canada has increased 70 per cent. in the last seven years, while the number of telephones in the Brazilian system has increased 27 per cent. Yet this is a substantial growth in Brazil and an even more rapid growth may be anticipated in the future as business and industry advance.

Brazilian Traction, Light and Power Co. has no funded debt of its own and the funded debt of its subsidiaries, totaling a little over $65,000,000 is gradually being reduced through the operations of sinking funds and otherwise. The consolidated balance sheet for the year ended December 31st., 1926, shows earnings of $10.46 per share of common stock, after liberal deductions for all charges. The monthly earnings figures which since have been published, indicate a substantial increase for 1927. It is anticipated that the earnings for 1928 will be about $13 per $100 share.

Exchange is Factor

Earnings of Brazilian Traction are, of course, in the currency of Brazil, the milreis, and profits from the point of view of shareholders are in Canadian dollars. Thus, the profits of the company are affected by the number of Canadian cents which a milreis will buy. In the latter part of 1926, the milreis after suffering severe decline in the previous several months, was stabilized at a little under 12 cents. This stabilization under the average figure for the previous several months affected the net profits of the company to a considerable extent. Comparisons during the next year were difficult because of the variations in the value of the milreis. Since then, however, the net earnings have shown a very material increase when compared to corresponding months of the previous year after the milreis was stabilized and it is anticipated that there will be material increases recorded for 1928.

Unless some totally unforeseen national or international catastrophe occurs it is inconceivable that the milreis will descend any further, while there is a possibility of a distinct hardening in the exchange rates. Any increase in the value of the milreis will result favorably to the company.

To Be Split in May

From the point of view of the investor, the outlook for the stock was materially bettered in the last few months by the decision to split the common stock into shares of no par value on a basis of four new for one old after common shareholders had been given the privilege to subscribe for new stock at $100 per share. This subscription privilege on the basis of one new for five old has been worth in excess of $20 per share of old stock, because the old stock was selling in excess of $200 per share. The preferred stock of the company is convertible into common stock on the basis of six shares of preferred for five of common.

Capitalization—

	Authorized	Outstanding
Common	$110,000,000	$106,588,300
Pref. 6% cum.	10,000,000	10,000,000

Par $100.

On Jan. 5, 1928, the shareholders authorized an increase in the capital stock from $120,000,000 to $200,000,000 by the creation of 800,000 ordinary shares of the par value of $100 each.

Market Record—

Year	Preferred H.	Preferred L	Common H	Common L
Year	..	..	99¼	85
1913	..	..	101	80⅛
1914	..	..	92	52½
1915	..	..	59½	53
1916	..	..	62⅝	41½
1917	..	..	47¾	31¾
1918	..	..	60¼	32
1919	..	..	61	50
1920	..	..	51¼	28
1921	..	..	36	19¾
1922	95	76	50¼	27⅝
1923	96	87¼	53	35½
1924	101¾	92½	55⅞	41¼
1925	99	95	84	49¼
1926	108	97½	123½	80
1927	197	104	234⅛	102½
1928*	223¾	195	183	160

* To Feb. 29.

Funded Debt of Subsidiaries—

Rio de Janeiro Tram, Light, Power bonds, 5%, 1st mtge. due 1935	$25,000,000
Bonds 5% mtge., due 1958	22,959,377
Sao Paulo Tram, Light, Power, mortgage debentures, 5%, due 1929	6,000,000
Perp. cons. deben. stock, 5%	3,999,996
Sao Poulo Electric, first mtge. bonds 5%, due 1962	9,733,333

Officers and Directors—

Sir Alex. Mackenzie, pres.; E. R. Wood, H. M. Hubbard, Miller Lash, vice presidents; Clarence Dillon, Sir. T. White, A. W. K. Billings, J. W. McConnell, A. P. Holt, R. C. Brown, E. R. Peacock, D. B. Hanna, H. H. Couzens, Rio de Janeiro; Hon. F. H. Phippen, Sir John Aird, J. M. Smith, sec.; A. W. Adams, treas.; D. H. Cromar and W. D. Hooper, asst. secs.

Dividend Record—

Calendar Year	Pref.	Com.
1912	6%	1½%
1913	6	6
1914	6	6
1915-16	6	4
1917	6	1
1918-21	6	.
1922	6	2
1923	6	4
1924	6	4
1925	6	4
1926	6	5
1927	6	6

Divident on common increased to 1¾ per cent. quarterly March, 1928.

Financial Record of Brazilian

Recent Monthly Earnings Figures

	Gross Earnings 1926	Gross Earnings 1927	Operating Expenses 1926	Operating Expenses 1927	Net Earnings 1926	Net Earnings 1927
	$	$	$	$	$	$
January	3,163,670	2,975,801	1,371,382	1,300,872	1,792,288	1,674,929
February	2,893,557	2,876,573	1,214,770	1,262,000	1,678,787	1,614,573
March	3,077,791	3,080,055	1,314,448	1,314,573	1,763,343	1,765,482
April	3,021,782	3,053,071	1,306,360	1,309,457	1,715,372	1,743,614
May	3,381,959	3,237,839	1,431,282	1,336,370	1,950,677	1,901,469
June	3,487,237	3,197,650	1,449,784	1,287,427	2,037,453	1,910,223
July	3,531,663	3,346,083	1,540,857	1,361,321	1,990,806	1,984,762
August	3,476,995	3,358,938	1,514,641	1,368,735	1,962,354	1,990,203
September	3,412,431	3,293,117	1,501,080	1,393,921	1,911,351	1,899,196
October	3,200,476	3,305,659	1,417,522	1,395,269	1,782,954	1,910,390
November	3,001,416	3,303,181	1,342,265	1,401,100	1,659,151	1,902,081
December	2,953,964	3,292,022	1,497,772	1,534,322	1,456,192	1,757,700
	38,602,891	38,319,989	16,902,163	16,265,367	21,700,728	22,054,622

Income and Surplus Account, Years Ending December 31

	1927	1926	1925	1924	1923	1922
	$	$	$	$	$	$
Gross Earnings	21,813,720	17,527,506	16,719,773	15,419,964	16,417,251	12,168,673
Less: Depreciation	6,123,622	5,107,960	4,538,848	4,347,040	4,241,393	3,524,578
Bond Interest	4,084,242	4,391,087	4,709,785	4,654,983	5,052,961	4,534,038
Expenses	233,257	293,308	310,604	280,494	720,993	1,000,033
	10,441,121	9,792,375	9,559,237	9,282,517	10,015,347	9,058,649
Net Profits	11,372,599	7,735,131	7,160,536	6,137,447	6,401,904	3,110,024
Other Income	372,798	520,155	478,381	792,518	450,064	127,657
	11,745,397	8,255,286	7,638,917	6,929,965	6,851,968	3,237,681
Less Appropriations—						
Preferred Dividends	600,000	600,000	600,000	600,000	600,000	600,000
Common Dividends	5,329,211	4,263,266	4,262,788	4,262,477	2,131,511	......
Trans. to Reserve	4,000,000	3,000,000	3,000,000	3,000,000	3,000,000	......
Surplus for year	1,816,186	392,020	*223,871	*932,512	1,120,457	2,637,681
Add Previous Surplus	6,075,907	5,683,887	5,907,758	6,840,270	5,719,813	3,082,132
Bal. Carried Forward	7,892,093	6,075,907	5,683,887	5,907,758	6,840,270	5,719,813

*Debit.

Earnings of Brazilian Subsidiaries

Earnings of subsidiaries and of the services are shown below:

Year ended December 31

	1926	1925	1924	1923	1922
Milreis Average, N. Y.	14.61 cts.	12.31 cts.	11.08 cts.	10.36 cts.	13.09 cts.
	$	$	$	$	$
Gross Earnings, Operation	38,602,891	31,243,759	26,936,767	24,184,761	25,506,420
Net Earnings, Operation	21,700,727	17,489,445	16,643,472	15,332,329	16,299,229
Miscellaneous Revenue	112,993	38,061	76,301	87,635	118,022
Revenue, All Subsidiaries	21,813,720	17,527,506	16,719,773	15,419,964	16,417,251
Bond Interest, Other Charges	4,084,242	4,391,087	4,749,785	4,654,983	5,052,961
Depreciation, Sinking Funds	5,823,622	4,807,980	4,238,848	4,047,040	5,941,393
Total Subsidiaries Charges	9,907,864	9,199,067	8,948,633	8,702,023	8,994,354
Brazilian Traction Revenue	11,905,856	8,328,439	7,771,140	6,717,941	7,422,897
Other Income	372,798	520,155	478,381	792,518	450,064
Gross Revenue	12,278,654	8,848,594	8,248,521	7,510,459	7,872,961
Administration and Gen. Expenses	233,257	293,308	310,604	280,494	720,993
Amortization	300,000	300,000	300,000	300,000	300,000
Total Charges	533,257	593,308	610,604	580,494	1,020,993
Net Revenue	11,745,397	8,255,286	7,638,917	6,929,965	6,851,968

Growth of Brazilian Enterprise

	1923	1924	1925	1926
(Street Railway)				
Total track (miles)	414.27	417.28	422.25	424.50
Rolling stock:				
Passenger cars	1,588	1,650	1,718	1,722
Freight and service cars	286	285	286	278
Rolling stock:				
Electric locomotives	4	4	4	4
Passenger cars	4	4	4	4
Freight and service cars	2	2	2	2
Buses:				
Route (miles)	2.40	2.40	2.40	2.40
Storage battery buses	7	7	7	7
Car miles run—total	46,197,145	46,120,480	46,484,275	49,105,442
Area served (square miles, approx.)	113	113	113	113
Passengers carried	479,527,034	498,242,281	526,240,551	552,078,727
(Light and Power)				
K.W. hours sold	468,211,051	483,240,843	479,540,843	526,317,699
Capacity of gen. plant (kilowatts)	125,400	169,400	210,400	240,400
Connected load (kilowatts)	340,973	373,901	403,700	435,210
Consumers	164,188	175,397	185,853	201,620
Area supplied (sq. miles, approx.)	2,583	2,583	2,583	2,583
(Gas)				
Gas sold (cubic metres)	59,457,174	65,043,651	71,019,515	81,571,030
Consumers	37,824	40,328	44,136	49,535
Mains laid (miles)	768.04	776.11	792.69	817.51
Stoves, water heaters, etc.	54,298	54,975	57,582	70,037
Area supplied (sq. miles, approx.)	82	82	82	82
(Telephones)				
Telephones in operation	74,359	77,977	81,752	83,677

B. C. Electric

Company Serves 1,500 Square Miles of Territory with Electricity, Gas and Traction Lines—Control in England

British Columbia Electric Railway Company is the most important public utility enterprise on the Pacific coast of Canada and one of the most important in the Dominion. The company controls the electric power, gas and street railway system in Vancouver and the suburban communities of Vancouver and in Victoria and Esquimalt. In the last few years, in line with other public transportation companies, it has been developing a bus service which is proving profitable. In all, the company serves an area of about 1,500 square miles embracing the population of 375,000 in 26 communities. In 1927 more than 75,000,000 passengers were carried on the 352 miles of electric line. There also was a substantial freight business. The hydro electric plant developed 403,986,536 kilowatts and the gas manufactured totaled 1,092,792,000 cubic feet or 36,484 customers. These figures show substantial gains over the previous year and the increasing prosperity of the communities served, as well as the excellence of the management, indicates that growth must continue.

British Columbia Electric Railway Company is an English holding company incorporated under the Imperial Companies Act in 1897. The investment interest in the parent company, therefore, is largely English in its complexion. However, in the last few years there has been a gradual increase in the assets of the principal Canadian subsidiary, known as the British Columbia Electric Power and Gas Company, without a corresponding increase in the assets of the parent company in England being evident. Canadian investors, particularly in the regions served by the company, have had the opportunity also to invest in the preferred stock of the British Columbia Electric Power and Gas Company. This stock was distributed through the company's employees in customer ownership campaigns which were highly successful.

Bridge River Work

The company is forward-looking. One of the most interesting power developments in Canada at the moment is on the Bridge River, some 50 miles from Vancouver, where it is planned to install a plant to take care of the power demands of Vancouver and environs for the next decade. The initial development will be 40,000 kilowatts and the expenditure will be in the neighborhood of $2,000,000. The contract was let several months ago and work is proceeding rapidly although it will probably be two years before power is delivered. Subsequent installations will be made at much less expense.

As it is evident that street railway systems always will be necessary in congested cities, this company is justified in its expenditures to maintain an efficient traction system. It may be said that, compared with cities of similar size, visitors to Vancouver and Victoria find service and rates satisfactory.

The shareholders of the parent company at the annual meeting in London authorized the issuance of 1,000,000 additional deferred ordinary shares of one pound sterling par value.

B. C. Electric Co.

Capitalization—

	Authorized	Outstanding
Cumulative perpetual pref, 5%	£1,440,000	£1,440,000
Non-cum. pref. ordinary 5 per cent.	1,440,000	1,440,000
Deferred ord.	1,440,000	1,440,000
Unissued stock	2,000,000	£1 each

Funded Debt—

Debentures 4½% 1st mtge.	£ 187,600
Debentures 4½% Van. Pr.	101,300
Perp. Cons. deb. stock, 4¼%	2,788,170
Debenture stock, 5%, 1944 (income tax free)	770,000

Dividend Record—

Year	Cum. Perp. Pref.	Non-cum. Pref. Ord.	Defer. Ord.
1918	5%	..	..
1919	5	5%	8+8%
1920	5	£4 13 0	£6 4 0
1921	5	4 13 8	6 4 2
1922	5	4 13 8	6 4 8
1923	5	4 16 2	6 9 5
1924	5	4 16 2	6 9 8
1925	5	6 6 9	8 0 0
1926	5	6 5 0	8 0 0
1927	5	6 4 0	8 0 0

Officers and Directors—

R. M. Horne-Payne, chairman; T. B. Brown, H. G. Brown, G. P. Norton, J. Davidson, deputy chairman; Sir F. Barnard, George Kidd, president; W. G. Murrin, vice-pres.; A. T. Goward, vice-pres., Victoria; F. R. Glover, gen. executive asst.; V. Laursen, solicitor; E. H. Adams, comptroller; R. W. Bartlett, secretary.

INCOME AND SURPLUS ACCOUNT

Years ending June 30

Profit and Loss—

To June 30—

	1927	1926	1925
Income	£611,483	£573,234	£544,329
Interest	179,408	179,816	183,537
Dividends	216,000	216,000	206,255
Surp. for yr.	216,075	177,418	154,537

Market Record—

	Def. Ord. High	Def. Ord. Low	Pref. Ord. High	Pref. Ord. Low	Cum. Pref. High	Cum. Pref. Low
1913	144½	111	125	102	109¾	98½
1914	125	104	111	100	107	98
1915	79	30	90½	25	89¾	50
1916	62	35	68½	34½	74½	50⅝
1917	40½	25	46⅞	28	64⅞	38
1918	48	24	52½	27¾	68	41
1919	54¾	31	56½	35⅞	66½	53¾
1920	60	40	62	45	65	51
1921	60	47½	58½	49⅛	61	53¼
1922	91	57	78½	53⅝	83½	59
1923	101	87	88	74	90½	75¾
1924	112½	97½	90⅝	80	90	82
1925	128	101	104½	82	93	84½
1926	150	124	120	101	89	82

Western Power

(Controlled through stock ownership by B. C. Electric Railway)

Capitalization—

	Authorized	Outstanding
Common	$5,000,000	$5,000,000
Preferred	5,000,000	850,000

7 per cent. cumulative from Jan. 1, 1918.

Funded Debt—

	Authorized	Outstanding
1st mtg. 5% due 1949	$5,000,000	$4,895,433

Officers and Directors—

George Kidd, pres. and gen. mgr.; W. G. Murrin, John Davidson, Capt. F. R. Glover, V. Laursen, W. Saville, E. H. Adams, J. V. Armstrong, sec.; P. Lewis, pur. agt.

January Sea Fish Catch Lower Than Last Year

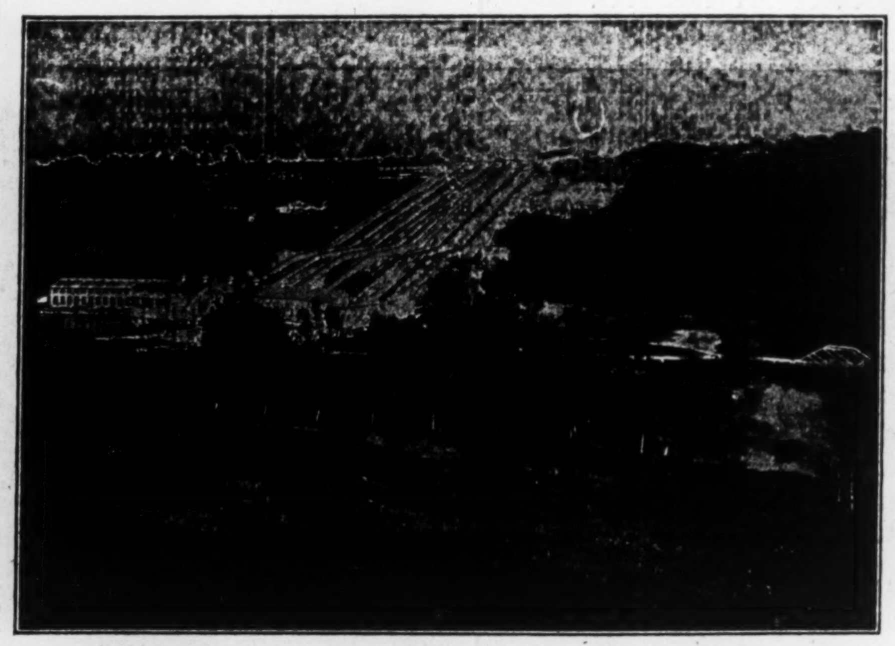
On both coasts of the Dominion there were 39,779,500 pounds of sea fish landed with a value of $739,428 during January. This amount represents the value the fishermen received on landing their catches. During the same period last year 40,309,800 pounds of sea fish

Increases were recorded in catches of cod, haddock, hake, and scallops.

Fewer lobsters were taken d the month on the Atlantic coast, 23,800 pounds being caught com with 47,000 pounds during the same iod last year. The catch was sh in shell.

Industrial and Public Utility Securities

Newman, Sweezey & Co.
LIMITED
136 St. James Street Montreal



THE SIGN OF SERVICE

Hydraulic Power Plant at Power Glen, St. Catharines, Ontario.

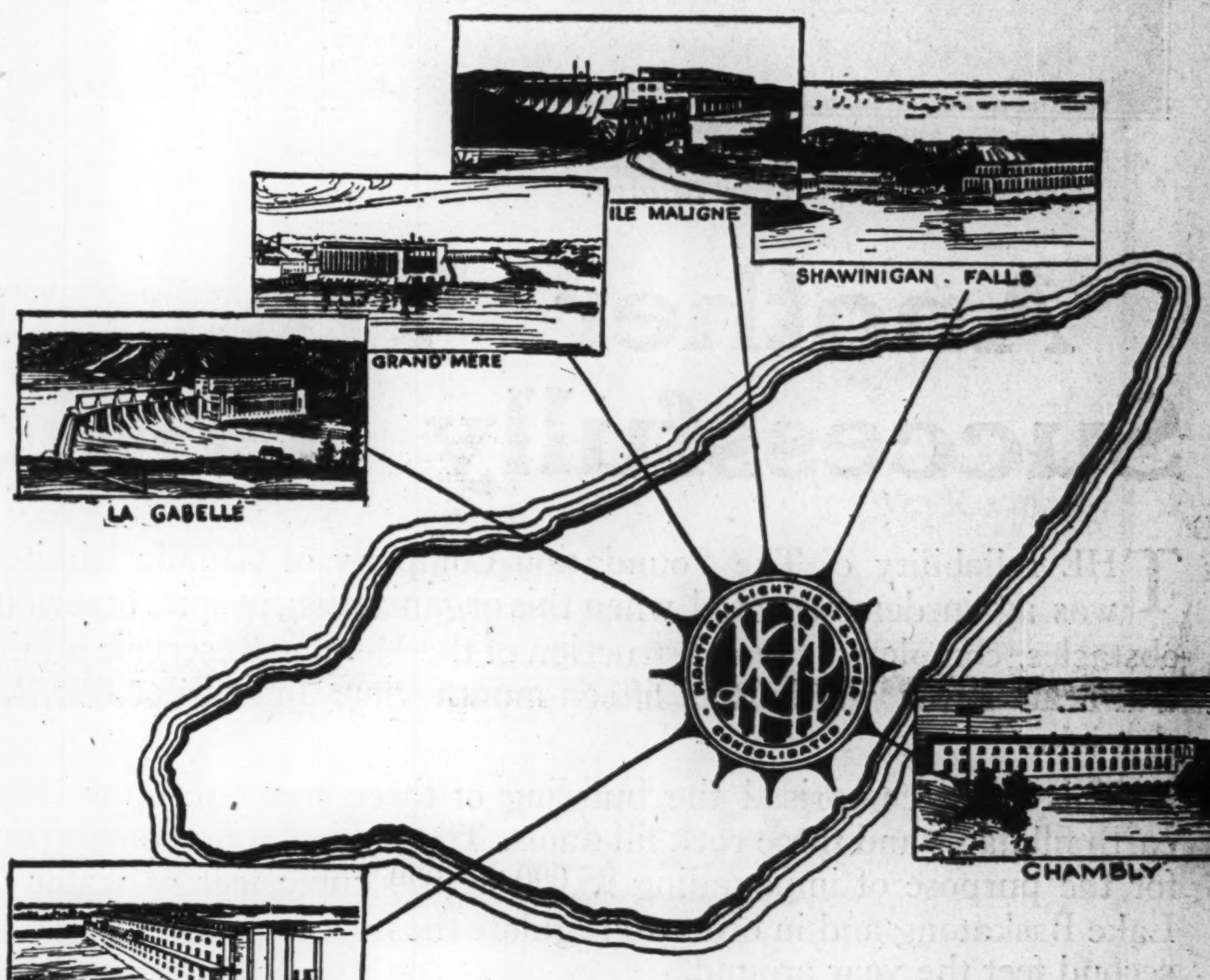
Dominion Power and Transmission Company
Limited

Head Office: Terminal Building, Hamilton, Canada
CONTROLS AND OPERATES

The Hamilton Cataract Power, Light and Traction Company, Limited.
The Hamilton Electric Light and Power Company, Limited.
Hamilton Street Railway Company.
Hamilton Terminal Company, Limited.
The Lincoln Electric Light & Power Co., St. Catharines.
The Hamilton Radial Electric Railway Company.
The Hamilton, Grimsby & Beamsville Electric Railway Company.
The Brantford & Hamilton Electric Railway Company.
The Dundas Electric Co., Limited, Dundas.
The Western Counties Electric Company, Brantford.

This Company furnishes power and lighting service to the Cities of Hamilton, Brantford and St. Catharines, and the Towns and Villages of Burlington, Oakville, Dundas, Grimsby, Beamsville, Stoney Creek, Smithville and Bronte.

"DOMINION POWER SERVICE" was the principal factor in the industrial development of the Towns and Cities in this district.



MONTREAL
THE POWER CITY

MONTREAL is a great city because nature and man have combined to make it great. Since 1914 the industrial customers of Montreal Light, Heat & Power have increased from 2,045 to 4,777, in 1926; and the lighting customers from 56,029 to 196,992, while the power demanded to take care of Montreal has increased from 90,000 to 300,000 h.p. This achievement not only proves conclusively that Montreal Light, Heat & Power has provided for Montreal's tremendous expansion during the last fourteen years, but is an evidence of its intention as well as its ability to do so in the future. Another proof of which is to be found in the fact that it has actually available 200,000 h.p. more than the City requires at the present time, not to speak of additional reserve power available from the great group of power plants feeding its system and the additional 100,000 h.p. now under construction.

Montreal Light, Heat & Power's gas resources also have always been far ahead of the demand for industrial gas heating — a very necessary and important agent in manufacturing — for which the demand increases proportionately to that for electricity.

Montreal Light, Heat & Power will provide for Montreal's growth in the future as it has in the past no matter how great or how rapid the expansion may be.

We are proud of Montreal, and are grateful for the part we have played in making its development possible.

MONTREAL LIGHT, HEAT & POWER has available, in reserve and now being developed, supplies of electricity far in excess of any possible requirements of Montreal's present and future industries, public services and homes.

Never, in the forty years during which this Company has been privileged to serve the City, has there been any demand for electric power which it has not been able to meet instantly.

Linked together through inter-communication arrangements established by Montreal Light, Heat & Power, the resources of Quebec's major generating plants converge on Montreal and the adjacent territory, and no other similar area has such a gigantic reservoir of actual and potential electric energy at its command.

Comprised in this system are the eleven most important plants in the Province, situated at Ile Maligne, Grand'-Mère, Shawinigan Falls, La Gabelle, Cedars Rapids, Soulanges, Ste-Timothée, Lachine, Chambly, Ville Lasalle and the new plant now being built at Back River. Their vast network of transmission and distribution lines tap practically all of Quebec's economically available hydro-electric power and cover the entire industrial belt which centres in Montreal.

This concentration of electric resources makes for aggressive initiative, combined with great economy, and gives this City and district unequalled opportunities for growth in the wonderful new electric era which the world has entered.

The average rate for electricity in Montreal is substantially lower than in other similar industrial centres either in Canada or the United States

Montreal Light, Heat & Power
CONSOLIDATED

Calgary Power Company

Branches Out Into New Municipalities and Now Seeks New Power Site on Spray River in National Park

Reflecting the successful growth f the Calgary Power Co. in past ears, an initial dividend was delared on the shares for the quarter nding December last. The stock is ow on a 5 per cent. annual dividend asis.

Earnings are showing the steady crease exhibited in former years. A rge portion of the power output is old en bloc to the city of Calgary, t a few large industries are served irect.

For years the company has eneavored to obtain permission from e government to develop further ower at Spray Lake, situated in the ocky Mountains National Park. The ituation regarding this further development is involved, for Alberta is undecided apparently as to whether it will build its own plant or whether it will allow the company to go on with the undertaking.

See Steady Expansion

The past year has witnessed the steady expansion of the company. Lines have been extended southward to Lethbridge and many new municipalities between this city and Calgary have been added to the system. During the year just ended the company concluded an agreement with the city of Lethbridge for the interchange of power between the privately owned company and the municipally owned steam plant of the city. Under the agreement between the company and the city, the company sells 1,000,000 kilowatt hours more to the city than it purchases to take care of peak loads. The closing of the contract with the city gives the company dominance in the Lethbridge as well as the Calgary areas. The outlook for the future of the company is excellent. In 1927, 475 miles of new transmission line were added to the company's system.

Capitalization—

	Authorized	Outstanding
Common .... Par $100.	$3,000,000	$1,900,000

Funded Debt—
First sinking fund gold 5 per cent., due 1940, $2,768,647.

Market Record—

Year	Common High	Common Low
1918	30	27
1919	30	22¾
1920	22½	15
1921	6¾	1
1922*	7½	5
1923	11½	4
1924*	52	15½
1925*	53	46½
1926	52½	47
1927	100	50
1928†	105	100

* London quotation.
† To Feb. 25.

Initial dividend of 1¼ per cent. paid Dec., 1927.

Officers and Directors—
I. W. Killam, pres.; G. A. Gaherty, man. dir.; W. C. Pitfield, A. E. Cross, S. B. Hammond, treas.

INCOME AND SURPLUS ACCOUNT
Years ending Dec. 31

	1926	1925	1924
Gross earn.	$450,961	$409,793	$371,956
Less op. exp.	126.006	93,833	69,257
Net earn.	324,955	315,960	302,699
Less: deprec.	50,000	50,000	50,000
Bond int.	139,508	141,547	144,357
Taxes	10,020	11,077	11,520
	199,528	202,624	205,877
Net profits	125,427	113,336	96,822
Add prev. surp.	458,622	x345,286	x266,649
Bal. car. for.	584,049	458,622	363,471

x Adjusted.

There is more work now under way in Ottawa and in view for laborers of all classes than last season. The government is paying 45 cents per hour to unskilled laborers employed on construction retaining walls on the west side of Rideau Canal, this work being handled by the Department of Railways and Canals.

PHONE COMPANIES ALWAYS EXPANDING, CALL FOR CAPITAL

(Continued from page 21)

mand for telephone service, but also there has long been a steady increase in the per capita use of the instrument. There is the expectancy that this growth will be continued despite the fact that this country is the second largest user of telephones on a per capita basis in the world. There are 12.79 telephones per 100 people in Canada as against well over 14 in the United States. Thus there is still room for growth without considering the natural increase in the demand occasioned by the growth of the population.

Density Varies With Locality

The density of the distribution of telephones in Canada varies considerably between each of the provinces. The following table shows the num-

tion in each province:

British Columbia	18.8
Ontario	16.9
Saskatchewan	12.5
Alberta	11.7
Manitoba	11.1
Quebec	9.4
Nova Scotia	7.4
New Brunswick	7.4
Prince Edward Island	5.3

Of course, the Bell Telephone Company is the outstanding telephone property in Canada and in any consideration of the telephone industry, as a whole, it is to be remembered that the cost of the property and equipment of the Bell Telephone Company and some of the companies in which it has stock interest, is well in excess of half the total amount invested in telephone property in Canada.

The number of telephones in Canada increased from 548,421 in 1916 to 1,201,008 in 1926, or by 119 per cent. during the ten years. The cost of property and equipment has shown

amounting to over 156 per cent. The number of telephones per 100 population a decade ago was 6.82 and in 1926 it had increased to 12.79, the only country having a higher average being the United States with 14.8. Germany and Great Britain and North Ireland had more telephones than Canada, but with their larger population their densities were 4.1 and 3 per 100 population respectively.

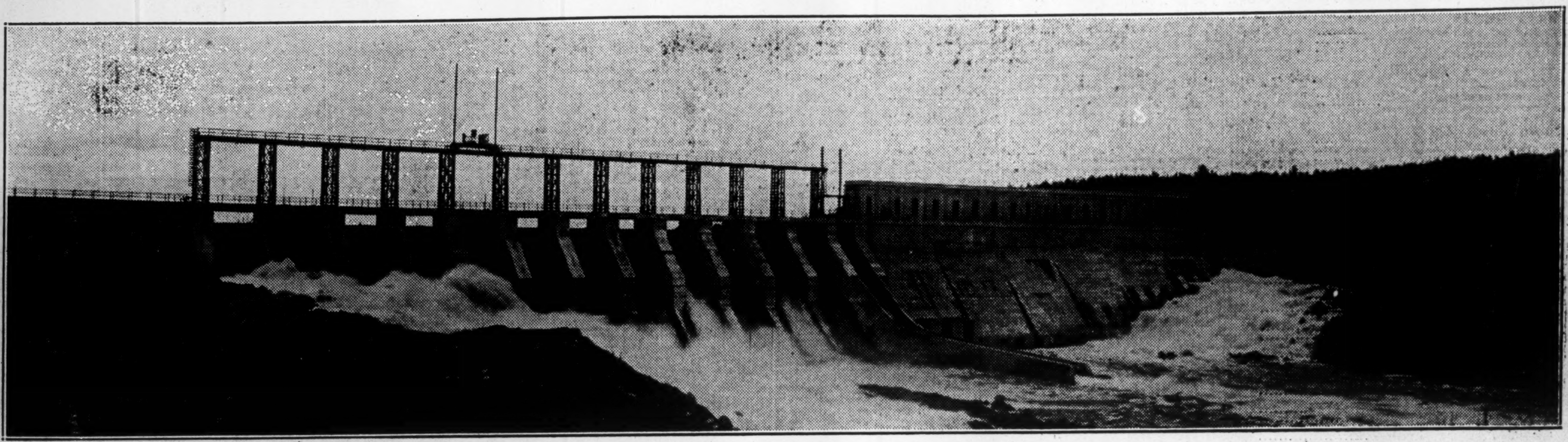
There has been a slight decrease in the number of telephone systems in operation in Canada over the past few years. There are now 2,479 systems in all; small lines are being absorbed by the larger companies.

The total of 2,479 systems includes the three large provincial systems of Manitoba, Saskatchewan and Alberta and the private and municipal systems. There are 142 municipal systems, the larger ones being operated by the cities of Edmonton, Fort William and Port Arthur. The cooperative systems numbering 1,560 are mostly small. Saskatchewan had

Ontario 58. The private systems include 490 stock companies, 107 part nerships and 174 systems owned by individuals.

Latest telephone statistics cover the year 1926. There follows a comparison of the 1925 and 1926 figure which reveals clearly the grow the telephone business:

Capital stock	$ 68,345,999	$ 65,
Funded debt	110,805,099	102,
Total capital	179,151,098	168,
Cost of property and equipment	227,155,900	210,58
Revenue	50,522,859	47,23
Operat. expenses	38,141,360	35,566,947
Net oper. rev.	12,381,499	11,666,679
Salaries and wages	20,418,178	19,106,383
No. of telephone systems	2,479	2,498
Pole line mileage	201,604	194,376
Wire mileage	3,306,214	3,019,773
Telephones, No.	1,201,008	1,142,876
Employees, No.	22,567	21,831
Telephones per 100 population	12.79	12.33
Miles of wire per 100 population	35.21	32.58
Miles of wire per telephone	2.75	2.64
Miles of wire per miles of pole line	16.4	15.5



Mercier Dam—one of the Ten Dams which Control Mercier Reservoir.

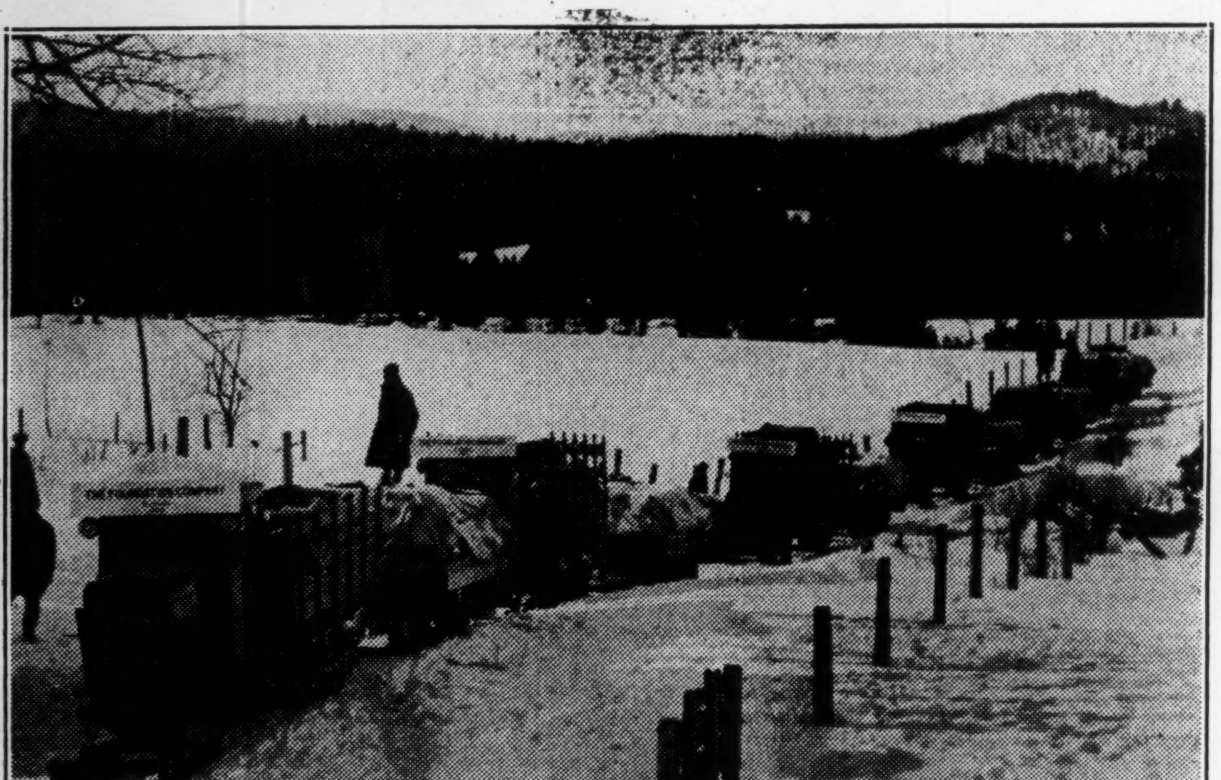
Another Tremendous Undertaking Successfully Completed On Schedule

THE reliability of The Foundation Company of Canada Limited was again demonstrated when this organization, in spite of serious obstacles, completed the construction of the Mercier Reservoir on the Gatineau River within the fifteen-month time limit specified for the job.

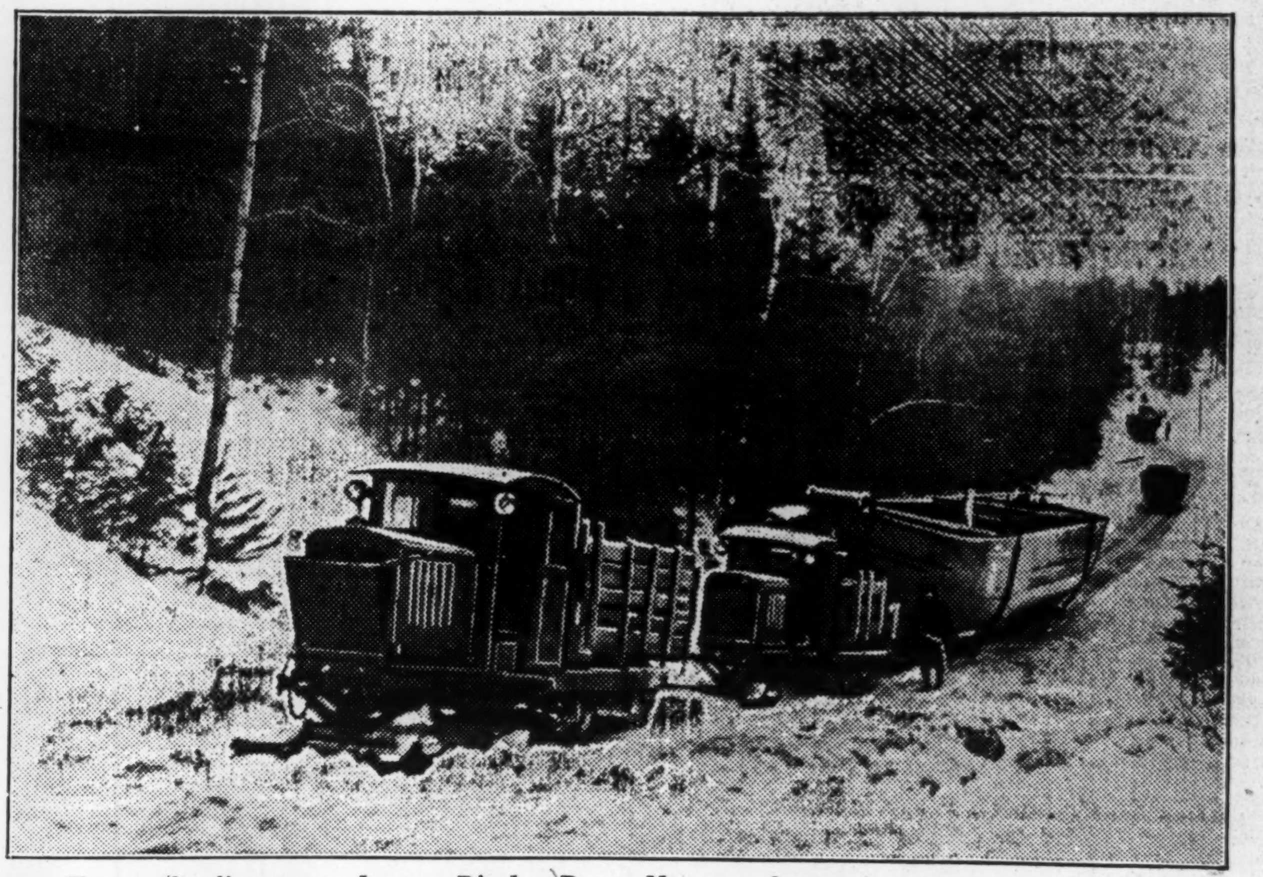
This work comprised the building of three concrete dams, four earth fill dams and three rock fill dams. These dams were constructed for the purpose of impounding 95,000,000,000 cubic feet of water at Lake Baskatong and in order to regulate the flow of the river to 10,000 second feet the year around.

The Mercier Reservoir was built for the Canadian International Paper Company under the direction of the Quebec Streams Commission, of which Mr. O. Lefebvre is Chief Engineer. It is located thirty-five miles from the nearest rail point, and 40,000 tons of construction plant, materials, etc., had to be transported to the site through rough country and across muskeg.

Upon completion, the Mercier Reservoir took its place as the world's third largest artificial reservoir. The fact that it was completed within fifteen months, despite all difficulties, is regarded as a remarkable construction record.



Tractors hauling part of the 40,000 tons of construction material and camp equipment to the dam sites.



Tractor hauling 35 ton boat to Bitobee Dam. Note roughness of country through which roads had to be built and maintained.

THE FOUNDATION COMPANY
OF CANADA, LIMITED
MONTREAL

Associated with The Foundation and Construction Company of Ontario, Limited

Buildings
Industrial Plants
Railroad Terminals
Foundations and Underpinnings

Hydro-electric Developments
Harbour Developments
Bridges and Bridge Piers
Shafts and Tunnels

Mexico Tramways

Has Been in Difficulties for Many Years, But Hoped That Condition Will Improve—Money is Spent to Improve Service

Misfortune has dogged the steps of the Mexican Tramways Co. for nearly fifteen years and while some improvement is noticeable in the last year, there still are serious difficulties to be overcome before the company can be restored to a profitable basis. There were political troubles in Mexico before the great war and these naturally affected seriously Mexico Tramways, which operate in the capital of the country. The tramway service and through its subsidiary, Mexican Light and Power supplies the electric light [illegible] for the district. In none [illegible] situation at the opening [illegible]an war, the world wide [illegible] which prevailed for the [illegible] five years were felt [illegible]is company and in the years of deflation and re- [illegible] difficulties have been owing to the sporadic political outbreaks in the [illegible] and environs.

[illegible] last year or two, however, [illegible] been a gradual improve- [illegible] and the parent company now [illegible] better off because its principal subsidiary, Mexican Light, has been reorganized and is now operating, it is believed, on a profitable basis. The time apparently is not far distant when Mexican Tramways also can be reorganized and placed on a sound footing, but the management is making valiant efforts in this respect and shareholders are possessed with more hope now than they have been for a number of years.

Jitney is Competitor

In the last two or three years there has been a readjustment of fares, routes and lines in Mexico City and suburbs with a view to encouraging greater traffic. The ubiquitous and uncontrolled jitney has been a factor in reducing the earnings of the tramways. Nevertheless, [illegible] improvement in traffic con- [illegible] can be noted. Substantial [illegible] been spent in rebuilding tracks and in purchasing new electric and other rolling stock and essential equipment. The company now operates approximately 280 miles of electric railway tracks, six miles of gasoline railway, and a little more than two miles of railway, the motive power of which is the mule. There are about 480 cars owned by the company and 13 omnibuses. Of the 480 cars about 400 are electric passenger cars and of these 82 are trailers. It is rather interesting to note that the company operates 44 cars as funeral equipment on its electric lines.

An idea of the extent to which the jitney and other unfavorable conditions have cut into the earnings of the tramways is taken from the fact that the average earnings per passenger car per day was only $63.86 in 1926 compared to $74.81 in 1924. These figures are Mexican currency.

Mexican Tramways is one of the Canadian companies controlled by the Toronto group which has been conspicuous in utility financing in Hispanic America.

Capitalization—

	Authorized	Outstanding
Stock .... Par $100.	$30,000,000	$20,177,000
Funded Debt—		
5% general consol. 1st mtge. bonds, due 1963	20,000,000	10,298,000
6% mtge. bonds, due 1966	£ 3,150,000	$ 7,112,633
5% Mexico Elec. Tram. 'A' deb. ..	$ 1,946,666	$ 1,589,453
5% 2nd charge deb. 'B'	£ 500,000	£ 321,000

Dividend Record—
Dividends have been paid as follows: 1 per cent., 1907; 4 per cent., 1908; 6 per cent., 1909; 6½ per cent., 1910; 7 per cent., 1911, 1912 and 1913; none since.

Officers and Directors—
Miller Lash, K.C., chairman; G. R. G. Conway, pres.; R. C. Brown, vice-pres.; R. Malclom Hubbard, vice-pres.; Vincente Gaston de Breteuil, G. T. Clarkson, A. Loewenstein, E. R. Peacock, Sr. Don Francisco de A. Cambo y Batlle, W. Gow, K.C., C. D. Magee, Henry Speciael, E. R. Wood, D. N. Heineman, W. H. Fraser, gen. mgr., R. H. Merry, sec. Assts sec's.: P. Mendez, Y. Mendez, J. S. Holmsted, and W. D. Hooper.

INCOME AND SURPLUS ACCOUNT
Years ending Dec. 31

	1926	1925	1924
Net income	*$43,822	*$348,374	$ 51,964
Other income	305,288	324,541	367,645
Gross income	261,466	*23,932	419,609
Less:			
Expenses	256,264	99,023	101,802
Interest	835,625	837,304	838,107
Net profits	*830,423	*960,259	*520,300
Less Approp.—			
Sinking fund	25,550	23,871	23,068
Surp. for year	*855,973	*984,130	*543,368

* Debit.

Market Record—

	1927 High	1927 Low	1928x High	1928x Low
Common	21	19¼	..	..

x To Feb. 25.

Mexican Light & Power

Controlled by Mexico Tramways Co.

Earnings of Mexican Light have been somewhat better in the last year or two and it is anticipated that with the arrears of interest on bonds cleared away, the company will be in position to go into the market for new capital necessary for a program of expansion. This program is considered imperative in order to take care of the growing demands for power in the territory served.

The reorganization of Mexican Light was effected last summer, with a result that the company now is on a sound basis. All fixed charges are being earned, including preferred dividends and the recent rise in the value of the common stock indicates that purchasers thereof are hopeful that ultimately there will be a dividend on the common stock. The company suffered with its parent, Mexican Tramways, for nearly fifteen years, but the comparative political quietude in Mexico in the last two or three years has been helpful to this company, because it has not been subjected and cannot be subjected to such competition as has faced Mexican Tramways from owners of decrepit automobiles.

Increase in Income

The latest annual report available [illegible] for the calendar year 1926. This [illegible]ed a satisfactory increase in net [illegible] from operations and the [illegible]ent of the company, C. R. G. Conway, reported expenditures totaling better than $2,000,000, Canadian currency, in plant additions and betterments.

The federal government of Mexico at the close of 1926 owed the company approximately $1,800,000 Canadian money. This indebtedness was incurred in the troublous days of political insurrection in Mexico City and elsewhere and so far not a great deal of progress has been made in collecting the back account.

One satisfactory feature of the situation is that the electric production of the company has been increasing. For instance, in 1922 the total was 441,991,000 kilowatt hours, compared to 593,472,000 kilowatt hours in 1926. At the end of 1926 the company had a connected load of 238,497 horsepower. The demand is growing.

Scheme of Arrangement

The 1927 annual report of the company will not be available until the early summer. The changes in the capital structure which were authorized by bondholders and shareholders last year will be shown in the forthcoming balance sheet. The changes are summarized as follows:

First mortgage gold bonds of Mexican Light, Mexican Electric Light and Pachuca Power are not affected, there being no arrears of interest with respect to these securities. Prior security on which the company has been unable to meet payments, is the issue of second-mortgage bonds of Mexican Light. Under the plan of reorganization, holders of these bonds (totaling £2,000,000 with £750,000 of interest arrears) will get £7 10s. cash and a bond of a par value of £50 in lieu of interest on each outstanding £100 bond.

Mexico Tramways in 1921 took $11,775,859 of income bonds in lieu of cash advanced to the subsidiary company. The accumulated arrears of interest on these income bonds amounted to $3,532,757. The annual charges and interest amounted to $706,551. Mexico Tramways agrees to accept ten-year non-interest-bearing notes in lieu of arrears of interest. F[illegible] [illegible]dred thousand dollars ann[illegible] [illegible] be applied for redemption [illegible] notes.

P[illegible] shareholders, who are mo[illegible] [illegible]ns of moderate means in [illegible] will receive new stock in [illegible]ears of dividends now [illegible]o $5,670,000 of a total [illegible]rred of $6,000,000. New [illegible] per cent. cumulative and [illegible] to redemption or through [illegible]hases in the open market at or under par.

The common stock of the company, the majority of which was held by Mexican Tramways, has been converted into shares of no par value.

Capitalization—

	Authorized	Outstanding
Common .... (No par value).	190,000shs.	135,850shs.
2nd pref. 4%, cum. (Par $5).	$5,700,000	$5,700,000
Pref. cum. 7% .... (Par $100).	6,000,000	6,000,000
Funded Debt—		
First gold sinking fund 5%, due 1940	12,000,000	11,340,500
2nd mtge. 5 bonds due 1968	£2,000,000	$9,733,333
6% cumulative income bonds		11,775,859
Ten-year unsecured non-interest bearing notes, due 1937, issued.		$3,532,757
Companies controlled by the company:		
Mexican Electric Light, 5%, first mtge. bonds, due 1942		5,567,000
Pachuca Light & Power, 5% first motge. bonds, due 1967		3,893,333

Dividend Record—
On 7% preference stock $3.50 a share for the half-year ended Oct. 31, 1927, was paid Nov. 21, 1927. All dividend arrears paid in 4% second preference stock in 1927.
On 4% preference initial dividend of 10 cents a share for half-year ended Oct. 31, 1927, paid Nov. 21, 1927.
No dividends have been paid on common.

Officers and Directors—
Miller Lash, K.C., chm.; G. R. G. Conway, pres.; R. C. Brown, vice-pres.; H. Malcolm Hubbard, vice-pres.; G. T. Clarkson, W. Gow, K.C., A. Loewenstein, E. R. Peacock, Rt. Hon. Sir T. White, Henri Speciael, D. N. Heineman, Sr. Don Francisco de A. Cambo y Batlle, E. R. Wood, A. P. Holt, W. R. Fraser, gen. mgr.; R. H. Merry, sec.; P. M. Y. Mendez, J. S. Holmstead, W. D. Hooper, asst. sec's.

Bondholders Committee—
E. R. Peacock, chm.; H. F. Chamen, A. P. Holt, G. C. Cassels, Robt. Fleming, H. M. Hubbard, Sir Alex. Roger.

Market Record—

Year	Common High	Common Low	Preferred High	Preferred Low
1918	20	16	..	..
1919	48	48	..	..
1920	..	..	..	..
1921	7	5	..	..
1922	17	7	35	31
1923	35	16	57½	53
1924	25	17½	60	38
1925	34	22	64	57
1926	33	29	86	64
1927	65	27	120	65
1928x	67	62	80	77

xTo Feb. 25.

INCOME AND SURPLUS ACCOUNT
Years ending Dec. 31

	1926	1925	1924
Net income	$4,482,997	$4,298,277	$4,210,227
Other income	287,284	166,822	83,103
Gross income	4,770,281	4,465,099	4,293,330
Less: Exp.	173,597	144,688	100,424
Bond int.	1,526,708	1,539,396	1,599,827
Net profits	3,069,976	2,781,015	2,593,079
Less approp.—			
Cont. for Cap. Expend.	3,069,976	2,781,015	2,593,079
Surp. for year	......	......	......

Kaministiquia Power

Company Serving Canadian Head of Lakes Has Ample Water Rights

Kaministiquia Power Co. has a hydro-electric plant on Kakabeka Falls on the Kaministiquia River about nineteen miles north of Fort William. This plant has a rated capacity of 35,000 horsepower. The company is prosperous and growing with the growth of the community it serves and the addition of certain pulp and paper companies in the district has been of considerable help.

The water rights are adequate and are held in perpetuity. The power is developed under an effective head of 185 feet. The dams which supplement the natural reservoir are built on solid rock foundations and are of concrete construction. The initial installation was in 1906 and the company has enjoyed a continuous and prosperous career. It was reorganized in 1925 to give effect to a new control. Investment interest in the company now is limited to the bonds and the company issues no earnings statement annually.

Capitalization—

	Authorized	Outstanding
Common (no par)		
Class "A" non-vot.	30,750 shs.	30,750 shs.
Class "B" voting	9,250 shs.	9,250 shs.
7% cum. pref. .... (Par $100)	$1,250,000	$1,250,000

All the common shares are owned by the Fort William Power Co.

Funded Debt—

	Authorized	Outstanding
1st mortgage 5½% Bonds due 1950 ..	$5,000,000	$2,026,500

Dividend Record—
Preferred 7% per annum, paid regularly since issuance. A dividend of 1.16-2/3% was paid Jan., 1927, covering two months period, on account of change in dividend payment dates, payments quarterly Jan., Apr., July and Oct. 15.

Officers and Directors —
George H. Mead, chairman of board; G. R. Gray, pres.; W. A. Hurlburt, vice-pres.; Sir. H. Holt, J. S. Norris, N. M. Patterson, P. B. Wilson, C. H. L. Jones, T. H. Watson, J. J. Gibson, sec.; W. Struthers, treas.; D. G. Calvert, gen. mgr.

Income Account—14 months ending Dec. 31, 1926

Gross income	$777,927
Expenses and taxes	170,985
Depreciation	75,670
Net earnings	531,272
Bond interest	192,214
Other interest	3,791
Income tax	30,174
	305,093
Preferred dividends	101,961
Common dividends	166,667
Surplus for year	$ 36,465

Avalon Telephone

Earnings Are Increasing, and Company Now Serves One Hundred Towns

The Avalon Telephone Co. was incorporated seven years ago and serves 900 subscribers in St. John's. It now serves some 100 communities with a total population in excess of 100,000. It serves 5,000 customers, the bulk of whom are in St. John's, Newfoundland. The growth of the company has been rapid and it is anticipated will be maintained in the future, for the number of customers is increasing and new equipment is being installed to meet the growing needs of the company. The increasing development of Newfoundland's natural resources can hardly fail but to increase the demand for telephone service in the Dominion of Newfoundland. The company's lines provide communication with the most important sections of the Avalon Peninsula and include a submarine cable communicating with Belle Island, the iron mining section of Concession Bay. The company is steadily pushing out lines into other sections. Thirty operators are employed.

The company serves an area within a radius of 100 miles from St. John's and its properties include a telephone exchange in the city of St. John's, having an ultimate capacity of 10,000 telephones and a complete distribution system of under-ground and overhead lines throughout the city. Earnings are increasing.

Capitalization—

	Authorized	Outstanding
Common	$300,000	$236,350
Pref. non-cum. 7% (Par $25)	400,000	400,000

Funded Debt—
First mortgage bonds, series "A," 6%, due 1946, $400,000.

Dividend Record—
Dividends regularly paid on preferred, semi-annually, Jan. and July 1. On common, 2 per cent. was paid in 1922; 4 per cent. in 1923.

Officers and Directors—
Hon. J. J. Murphy, pres.; R. J. Murphy, vice-pres., and man. dir.; J. D. Cameron, sec. and treas.; J. Healy, supt.; G. Brownrigg, M. E. Martin, A. E. Hickman, J. H. Winfield.

INCOME AND SURPLUS ACCOUNT
Years Ending Dec. 31.

	1926 $	1925 $	1924 $
Gross earnings ...	132,127	117,561	106,931
Less oper. exp. ...	74,488	65,722	67,561
Less—			
Net earnings	57,639	51,839	39,370
Bond interest	13,511	10,496	9,750
Other interest ...	......	2,668	1,011
Other charges ...	4,890	5,404	5,137
Bad Debts	3,000	......	......
Net income	36,238	33,271	23,472
Dividends	42,049	13,772	28,351
Surp. for year ...	x5,811	19,499	x4,879

x Deficit.

Great Lakes Power

Rejection of Hydro Plan by Soo Voters Improves Outlook for Company

Great Lakes Power Co. and its subsidiary, International Transit Co., had net profits of $235,747 in 1927, compared with net profits of $240,833 in 1926. There is virtually no change in profits, however, when it is noted that $90,000 of bonds were retired in the year, as compared with $85,000 the year before.

Great Lakes Power Co. serves Sault Ste. Marie, Ont., with 29,200 electric and 12,000 hydraulic horsepower. Comparatively large blocks of power are sold to the Steel Corp., the Lake Superior Paper Co. and other industries operating in the locality.

Further expansion of this company is now planned, the proposal to have the Ontario Hydro-Electric Commission enter the field having been rejected by the voters of Sault Ste. Marie this year. There are ample water-power resources within reasonable distance of the industrial community and the future of this company, assuming that its management is reasonably far-sighted, should be excellent.

Capitalization—

	Authorized	Outstanding
Common	$2,000,000	$2,000,000
Preferred 7% ...	600,000	600,000
Funded Debt—		
First mortgage 6% gold bonds, due serially, 1924 to 1944	3,000,000	2,460,000

Dividend Record—
Preferred dividends regularly paid quarterly. On common, dividends of 4% each paid in 1921, 1922, 1923, 1924 and 1925.

Officers and Directors—
S. Insull, president; M. J. Insull, vice-pres.; J. A. McPhail, vice-pres.; O. E. McCormick, sec. and treas.; E. J. Knight, assistant sec.; B. A. Eckhart, J. O. Heyworth, A. Sinclair, D. R. McLennan, J. L. Martin, J. M. McNeil, asst. sec.

INCOME AND SURPLUS ACCOUNT
Years Ending Dec. 31.

	1927	1926
Gross Earnings	$ 563,748	$ 575,534
Less Oper Exp.	225,001	212,948
Net Earnings	338,747	362,585
Other Income	28,285	24,386
Total	367,032	386,971
Less: Bond Int.	143,236	149,300
Other Interest	27	216
Taxes	19,949	21,191
Net Profits	203,820	216,264
Less Approp. for—		
Pref. Dividends	42,000	42,000
Com. Dividends ..	80,000	80,000
Surp. for Year	81,820	94,264
Add Prev. Surp.	1,025,476	927,647
Res. Adj. for Taxes ..	2,472	3,565
Bal Car. For.	1,104,824	1,025,476

Maritime Telegraph

Business Conditions Keep Company from Maintaining Normal Progress Rate

The stagnant business conditions in the Maritime provinces, particuarly in Nova Scotia, over the past few years have naturally prevented the Maritime Telegraph and Telephone Co. from making the strides which many other Canadian public utilities have exhibited. However, the company is steadily expanding its services and increasing development of the province's natural resources indicates that the expansion this year and next should be larger than that witnessed between, say, 1923 and 1925.

The company occupies an excellent financial position and, as with all Nova Scotia utilities, is entitled to earn 8 per cent. on the value of its property after the payment of all reasonable expenses.

The company operates the telephone system in Nova Scotia and is affiliated with the Bell Telephone Co. of Canada, which owns a block of its common stock. The Nova Scotia company also owns the Eastern Telegraph and Telephone Co., owning and operating the telephone system in the neighboring province of Prince Edward Island.

Business conditions in Halifax are better than they have been for a number of years and the outlook for the British Empire Steel Corporation is also better than it has been for many years. In any betterment of business conditions in the province, the company will share proportionately by an increased use of its lines. Profits are increasing moderately.

Capitalization—	Authorized	Outstanding
Pref. 6 per cent. Series "A"	$1,000,000	$ 956,670
Pref. 7 per cent. Series "B"	2,000,000	1,500,000
Common .... (Par $10).	1,000,000	893,330
Funded Debt—		
1st mtge. 6's, due 1941	1,500,000	1,500,000
Refund mtge., 5's, due 1956	1,500,000	1,000,000

Dividend Record—
Dividends on pref. "A" and "B" have been paid regularly, quarterly, Jan., Apr., July and Oct. 1.
On common 7% per annum, payable quarterly Jan., Apr., July and Oct. 1. Increased from 6% to 7% as from July, 1926.

Officers and Directors—
O. E. Smith, president; G. E. Faulkner, vice-pres.; J. H. Winfield, man. dir.; A. MacKinlay, E. L. Macdonald, G. F. Pearson, Halifax, N.S.; C. F. Sise, J. E. MacPherson, Montreal; Chas. H. Mitchell, T. N. Goudge, sec.-treas.; W. H. Hayes, gen. manager; C. A. B. Bullock, comptroller.

Profit and Loss—

	1925	1926	1927
Oper. rev.	$1,496,416	$1,534,021	$1,577,759
Non-op. rev.	32,892	34,903	48,360
	1,529,308	1,568,924	1,626,119
Expenses	995,851	1,021,848	1,068,909
Oper. taxes	82,999	88,195	86,827
Gross inc.	450,458	458,881	470,383
Rents, etc.	10,627	13,427	8,540
Interest	154,167	134,247	140,000
Net income	285,664	311,207	321,843
Income tax	27,231	25,976	24,344
Dividends	216,000	220,360	232,558
Balance	42,433	64,871	64,941
P. & L. bal. forward	12,661	47,904	104,306
	55,094	112,775	169,247
Amount of sec. discount	7,190	10,357	10,350
Tax adj., 1925	......	*1,888	......
P. & L. bal.	12,661	47,904	104,306
Bal. car. for.	47,904	104,306	158,897

* Credit.

West Kootenay

Earnings Show Rapid Growth Over Term of Last Few Years

Subsidiary of Consolidated Mining and Smelting Company

The investment interest in the West Kootenay Power and Light Co. is confined entirely to the bond issues on the property, which are more than amply secured both as to assets and as to earnings. All the common stock of West Kootenay is owned by the successful Consolidated Mining and Smelting Co. Over the past few years earnings have shown a rapid growth. The bonds are a gilt edged investment.

Capitalization—

	Authorized	Outstanding
Common	$5,000,000	$3,812,000
Preferred 7% ...... (Par $100).	500,000	500,000
Funded Debt—		
First mortgage, 6% due 1940	$,1500,000	$ 964,573
General mortgage, sinking fund gold, 6%, due 1943		1,646,000
Cascade Water, Power & Light Co. bonds, 4½%, due 1940		158,500

Dividend Record—
Preferred dividends have been regularly paid quarterly, Jan., Apr., July and Oct. 1. Dividends at the rate of 2½% per annum paid in common from Dec., 1903, to Sept., 1912; Dec., 1912, to Sept., 1913, 4% per annum; years 1914 to 1916 inclusive, 5% per annum; 1917, 7½%; 1918, 8% 1919, 8%; 1920, 8%; 1921, 8%; 1922, Jan. and April, 2% each, passed July, 1922 and since.

Officers and Directors—
L. A. Campbell, vice-pres. and gen. manager; J. J. Warren, man. director; W. R. Baker, C.V.O., G. F. Benson, E. Hanson, Rt. Hon. Lord Shaughnessy, M. E. McNally, sec.-treas.

INCOME AND SURPLUS ACCOUNT
Years Ending Dec. 31

	1926	1925	1924
Gross earn.	$1,660,669	$1,041,125	$ 683,516
Less op. exp.	385,387	344,772	241,620
Net earn. ..	1,275,282	696,353	441,896
Less bond int.	221,582	172,751	106,768
Writt. off	146	312	199
Sink. fund	99,262	95,854	69,378
Net profits	484,733	39,365	32,896
Less approp.:			
Dividends	35,000	35,000	35,000
Surp for yr.	449,733	4,365	x2,104
Add prev. surp.	16,609	11,374	11,309
Tax adjust.	......	870	2,170
Bal. carr. fwd.	466,342	16,609	11,375

x Deficit.

City Gas

City Gas Co. operates 110 miles of mains in London, Ont., and the townships of London and Westminster. The company operates an artificial gas plant modernly equipped and with ample capacity. The stock is privately held, but there was in 1926 an issue of $225,000 of 6 per cent. 20-year, first mortgage bonds. Earnings figures are not published, but it was stated that the average for five years has been more than three times interest requirements. Net assets of the company are said to total $750,000.

The business was established in 1864 and the company operates under a special act of the Ontario legislature.

Capitalization—

	Authorized	Outstanding
Stock .... (Par $20)	$400,000	$288,000

Funded Debt—
First mortgage, 6% bonds, due 1947, $225,000.

Officers and Directors—
C. M. Duffield, pres.; W. L. Duffield, vice-pres.; R. W. Kidner, sec. and treas.; John Pringle, S. Cummings, A. M. Smart.

Dom. Telegraph Securities

The Dominion Telegraph Securities derives its income from the annual rental paid for its lines which are held under lease by the Canadian National Telegraphs. The rental so obtained provides for the interest on the company's bonds.

The lines are leased until 1978, but the lessees have already purchased the lines for delivery at the date of the expiry of the lease. The rentals obtained from the lines in the meantime provide for an annual sinking fund which will assure the payment of the outstanding bonds at their maturity. In addition, the rentals provide sufficient for another sinking fund which, in 1978, will be sufficient to pay $98 on the company's outstanding interest certificates.

The peculiar financing is the result of the increase in the Dominion income tax, for previously the shareholders had obtained 6 per cent. on their stock. A new company was formed which issued bonds in place of the stock and the shareholders obtained bonds for their shares and also the interest certificates.

Capitalization—
Capital stock. No details available, but the amount is only sufficient to incorporate the company.

Funded Debt—
Sinking fund mortgage 5½% bonds, Series "A" and "B" due 1978 .... $1,000,000

Officers and Directors—
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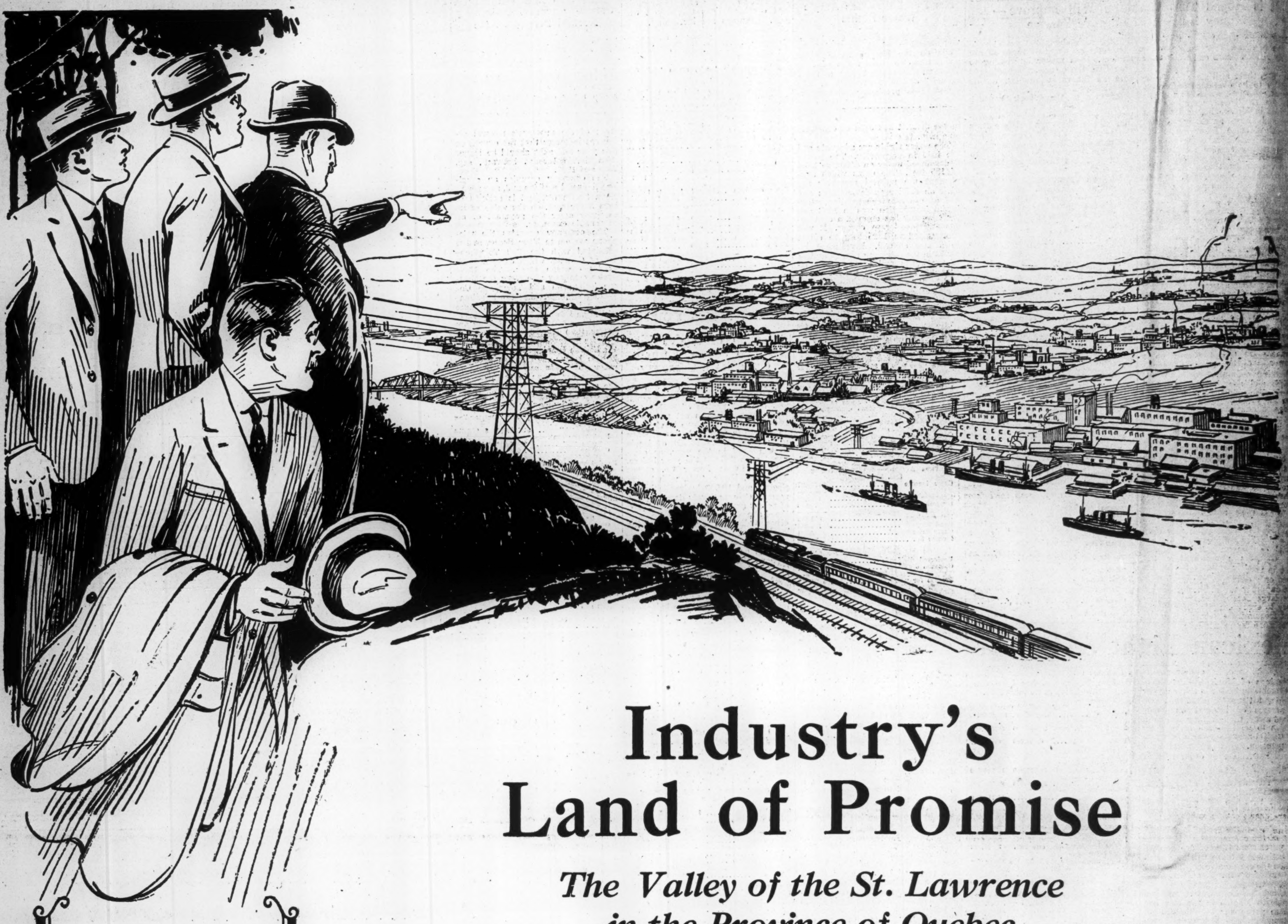

Industry's Land of Promise

The Valley of the St. Lawrence in the Province of Quebec

The Shawinigan System

The Shawinigan Water & Power Company is one of the largest producers of hydro-electric power in the world. It owns, or controls through stock ownership or through contracts with subsidiary and affiliated companies, water powers and hydro-electric power in the Province of Quebec aggregating over 1,000,000 h.p., of which 650,000 h.p. is developed and now in use, and 356,000 is undeveloped.

The Company owns 1,400 miles of high-tension transmission lines, including lines to Montreal and the city of Quebec, and with subsidiary and affiliated companies it has about 1,600 miles of distribution lines and furnishes electricity to 289 communities, comprising substantially all the larger cities and manufacturing districts in the Province of Quebec; covering a territory of approximately 100 miles south, west and east from Shawinigan Falls, including Montreal (85 miles), Quebec (75 miles), Three Rivers (20 miles), and the asbestos mining district around Thetford (about 100 miles). The territory within which the properties are situated lies between Riviere du Loup, 125 miles east of the city of Quebec, and the Lake of the Two Mountains, 40 miles west of the city of Montreal, on both shores of the St. Lawrence River, and extending in the south to the international boundary. The number of customers served in this area is 75,600.

THIS is the land to which industry will look during the next decade or two as a means of solving many of the problems confronting manufacturers in less favored portions of the globe. Of the 4,880,000 h.p. of electrical development in Canada at November 1st, 1927, Quebec occupies the premier position of the provinces, with a total of 2,165,000 h.p. At the present rate of increase, in a few years Quebec will have fully one-half of all the water power development in the Dominion. This powerful incentive is sufficient in itself to attract industries desiring ample power at reasonable rates. There are other advantages, however, possessed by the Province of Quebec which makes this province the most attractive from the manufacturer's viewpoint. With the foundation of ample power, industry is assured of the combination of the heritage of natural resources, splendid transportation, and labour unexcelled.

It is the policy of The Shawinigan Water & Power Company to co-operate in every way with the municipalities on its system in their efforts to secure industries within their borders, believing that such co-operation, combined with well directed effort, will accomplish definite results in that direction.

In the meantime the area within the Shawinigan system will continue to be served for its industrial and domestic needs with the superior service enjoyed by those who use

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FOURTH SECTION

THE FINANCIAL POST

FOURTH SECTION

Vol. XXII. Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, MARCH 16, 1928 10c. a Copy; $5.00 a Year No. 1

Power Rates Hinge on Many Factors

Load is Most Important — Cost of Construction and Interest Paid for Money Are Two Other Important Influences

The effect of hydro development on the country at large may perhaps be best judged by the results obtained through the operations of one of the smaller companies. For instance, in 1920 the Southern Canada Power Company completed its first turbine installation. Since that date, new industries have come to the Eastern Townships of Quebec, the area served by the company, amounting in all to well over 9,000. Further capital to the extent of $3,000,000 has been invested in this section and the annual purchasing power in this territory through the establishment of new industries dependent on the Southern Canada Power Company for energy amounts to $9,000,000. In many ways the power industry is not comparable to any other industrials. Hence, even for the investor with a wide knowledge of industrials, there are investment pitfalls which must be avoided in the purchase of power securities.

Points to Understand

Successful investments cannot be made by the investor in power securities without at least a background of knowledge of the points wherein the power industry varies from other industries.

In the first place, many investors take it for granted that because water is running down rivers, necessarily the cost of water power development from these rivers must be cheaper than steam. In the main, this is true, but if power is to be used only during a short portion of the day, it is not economical to make the large capital investment necessary to erect a hydro electric plant and frequently a steam plant operates more economically under these conditions. Thus, many companies find it less expensive to erect steam electric plants which represent a less costly first investment to take care of the demand for power during peak periods. On a hydro electric plant the chief cost of upkeep lies in the interest on the capital cost of the plant. With a steam plant, though, it can be shut down when not required to take care of peak loads and operating costs are materially reduced.

Advance In Design

Moreover, steam engine design has made rapid strides in the last few years. This has reduced the cost of energy produced by steam to a point comparable with hydro power where cheap coal is available.

The comparison between hydro and steam electricity is interesting. In hydro companies, about 85 to 90 per cent. of the revenues go to pay fixed charges; about 10 per cent. go to pay operating charges. With steam plants, on the other hand, about 50 per cent. goes to fixed charges and 50 per cent. in operating costs, and in consequence it is possible to reduce materially costs in a steam plant by cutting down operating charges when the plant is idle, or when the plant has a low load to carry. With a hydro plant this is impossible.

Some misapprehension exists in the minds of investors touching the cost of power. Editors write articles comparing the cost of power in different localities which to anyone informed on the subject are more than absurd, for the cost of power depends on two factors—namely, the capital cost of the investment in plant and distributing systems, plus the load factor.

Importance of Load Factor

The load factor in brief means the relationship which exists between the total power developed and the amount sold during a full day's operations. A company having 100 per cent. load factor will have its generators loaded to capacity for a full 24 hours every day.

It is practically impossible for any company to obtain such a high load factor, but this is the ultimate objective of all power companies. Power rates, naturally, are adjusted so that those who purchase power when the demand is low, obtain a much cheaper rate than those who purchase at peak periods. The consumer who wishes to purchase power between 5 and 7 p.m. daily will pay high for the energy because at that period of the day, power companies are carrying peak loads what with office lights, home lights, heavy tramways service and electric stoves in operation at once. From the foregoing it can be seen that only an engineer after an exhaustive study can compare the rates prevailing in one territory with the rates prevailing in another. Furthermore, in any comparison of rates, the capital cost with its consequent interest requirements enters into the actual cost of power production. One company may have been fortunate enough to be so located that its plant cost only $50 per horsepower to erect.

Item of Fixed Charges

Another may have had available a power site where energy could be developed only at a cost of $250 per horsepower. In the foregoing it can be seen that fixed charges per horsepower on the first plant would amount to only $3.50 a year and on the second plant to $17.50 a year. This is figured on a 7 per cent. basis. The financing of power companies differs from other industrial organizations. Hydro-electric companies are fortunate if they can turn their capital over once in five years, often it will be turned over once in eight years. Coupled with this, the companies find an increasing demand for more and more power annually. Each year, on an average, the companies must be ready to increase their capital investment by around 10 per cent.

To-day the management of most companies is giving its keenest thought to the subject of raising additional capital at as low a cost as possible. This is one of the factors that led to the introduction of customer-ownership campaigns.

This explains also why power companies as a rule do not make closed issues of mortgage bonds. The trust deed covering the bond issues, provides for the issuance of more bonds as the capacity of the plants is increased.

What Makes Rates

Rate-making is based on the capital cost plus the load factor. Only an expert can work out rates and any writer who endeavors to do so empirically is bound to be wrong. In some instances, this cost is as low as $90, but in others it might run up to $400 per horsepower.

Fixed charges of 7 per cent. on $150 would amount to $10.50 a year and added to this there would probably be another 5 per cent. for depreciation and other charges, so that the actual cost of the continuous output of one horsepower over a year would amount to $18 annually in a development costing originally $150 per horsepower.

Naturally, if the consumer were purchasing only a small load from such a development, the rate which he would pay would have to vary with the volume and the length of the duration of the load used by the other consumers on the lines.

From this it will be seen also that power costs must vary with money costs. The power rates from a development erected when money cost 7 per cent. would naturally be higher than a similar development erected when the bonds could be sold on a 5 per cent. basis. This applies to power sold at the switchboard at the plant. But only a little power is sold thus.

Interest Is Big Factor

An increase of only 1 per cent. in the interest which a company must pay in fixed charges results in a much larger increase in the actual cost of the power. For instance, presuming a development costs $100, the annual fixed charges on the money invested would be $5 to which might be added a further $3 for other charges, including operating and depreciation. This makes a total cost of the power developed of $8 annually. Presuming the money were secured at 6 per cent. instead of 5 per cent., the annual cost of the power of the plant would amount to $6 plus $3 for other charges, making a total of $9 annually. Thus an increase of 1 per cent. in the fixed charges makes an increase of 12.5 per cent. in the actual cost of the power.

Application is Important

Perhaps it is not realized just how beneficial to the Dominion is the development of its water power. In the United States, from figures taken from a large number of companies serving many fields, it has been worked out that the capital investment in a 1,000 horsepower plant amounts to $250,000, employs 8.5 persons and pays annual wages of $13,350.

It has been worked out that the power so made available results in a further capital investment in manufacturing plants of one sort or another of some $1,500,000 employing a further 380 persons and paying annual wages of over $550,000. So that it can be seen that it is the application of power, rather than the development, which is of importance.

It would be worth while to review the chief reasons why power or public utility companies can only be operated on an economic basis provided they experience no competition, or are, in other words, monopolies.

Competition in other industries brings lower prices, but the competition in the power or public utilities field brings increased rates to the consumer. Most business houses or industries have only one turnover of their capital four or five

(Continued on page 35)

Canada is High in Use of Power

Third in Total Power; Second in Per Capita Use

In power production, despite her small population, Canada ranks third among the nations; in per capita production of power, second. The country ranking first in per capita production is Norway which produces nearly twice as much power per head of population as the Dominion. Hence if Norway can use so much more power than Canada, there exists no reason for feeling that the large future hydro power developments contemplated in this country will prove to be out of step with the growth of the population.

The following figures compare the hydro electric production of the various countries at the close of 1925:

Country	Kw.-Hr. Billions	Kw.-Hr. per Capita	Per Capita Rank
United States	77.93	675	4
Germany	20.3	325	6
Canada	13.1*	1,400	2
Great Britain	11.0	250	7
France	9.8	245	9
Italy	7.6	185	11
Japan	6.7	112	13
Norway	6.2	2,270	1
Russia	4.1	29	16
Switzerland	3.9	1,000	3
Sweden	3.8	630	5
Belgium	1.7	220	10
Austria	1.6	246	8
Poland	1.3	45	15
Holland	0.9	123	12
Rumania	0.4	23	17
Denmark	0.35	103	14
All other countries	6.0	...	..
	178.38		

*1926.

Two of Canada's Newest Hydro Electric Plants

Two of the three power plants in the Gatineau River development of Canadian Hydro-Electric Corporation, a subsidiary of International Paper Company.

The first development is the "Farmers" development. It ha s a present installed capacity of 72,000 h.p. and an ultimate develop-
Farthur up-stream work is progressing on the "Paugah" plan nt with 102,000 h.p. installed and 170,000 h.p. designed capacity.
ment of 120,000 h.p. Behind it is seen the "Chelsea" developme t which will be producing 204,000 h.p. by this fall, and will eventually produce 272,000 h.p.

Hydro Electric Contract Plays Important Part in Gatineau Projects

By 1931 Revenue From Contract Will Meet All Fixed Charges

GOOD POWER MARKET

In October of the present year, the Gatineau Power Co. will deliver the first 80,000 horsepower under its thirty-year contract with the Ontario Hydro Electric Power Commission. Gradually, this amount will be increased, until by 1931 the whole annual delivery of 261,000 horsepower will be surging across the wires for the use of Ontario consumers.

Much has been heard in a general way concerning this long-term contract with the H.E.P.C., but few realize just exactly what it means in dollars and cents to the huge power organization which, with its hub at Gatineau, is rapidly extending its spokes throughout the Ottawa Valley.

Not only will the revenue from this one contract meet all the fixed and operating charges of the Gatineau Power, but what is even more significant, is the fact that by 1931, when the contract is fully underway, it will in itself come close to meeting the entire fixed charges, operating expenses and dividend requirements of the newly-created Canadian Hydro-Electric Corporation.

Significance of Contract

To understand more clearly the true meaning and significance of this contract, it may be of value to review briefly the relationship between Gatineau Power Company and its present holding organization. Canadian Hydro Electric Corp., it will be remembered, is the holding company which controls the entire hydro-electric power activities in Canada of the International Paper Company. Investment interest centres on the 6 per cent. preferred stock which is outstanding. The chief subsidiary of Canadian Hydro Electric Corporation is the Gatineau Power Company which has under development in and about the Gatineau River, over 400,000 horsepower, most of which is to be available for use within the next six months.

In addition to this valuable subsidiary, Canadian Hydro Electric Corporation derives a revenue from two other subsidiaries, the Gatineau Electric Light Company, and the St. John River Company which is completing a 76,000 horsepower plant at Grand Falls, New Brunswick.

Distributes 85,000 h.p.

The Gatineau Electric Light Company through its various subsidiaries and acquired companies, will by the end of March be distributing something like 85,000 horsepower, largely to domestic users, covering a territory of something more than 5,000 square miles and serving a population of 200,000 people.

Thus, through its three subsidiaries Canadian Hydro Electric Corporation will, by the end of 1928, be producing something over 600,000 horsepower. All this production has been contracted for, with the exception of power distributed to domestic users, under long-term contracts none of which are for less than a 20-year period. These contracts will probably reach their peak by the year 1931, and by that time, when the Ontario Hydro Electric is receiving its full load, the income from that source alone will be almost as much as the entire fixed charge plus preferred dividend requirements of the corporation.

As there is no funded debt in the capital structure of Canadian Hydro-Electric Corporation, the only bonds outstanding of any considerable amount, are those of the Gatineau Power Company which amount in all to something like $55,000,000. Then, of course, there will be an additional $6,500,000 of bonds which will be assumed when the company formally takes over the Ottawa and Hull Company, and the Ottawa River Power Company on March 15, 1928. However, estimating the fixed charges; adding to these the $750,000 required for the first preferred dividends on Canadian Hydro-Electric Corporation, and allowing for liberal operating charges, the total estimated figure is only about $500,000 more than the annual sum which in the year 1931 and thereafter will be paid to the company from the Ontario Hydro Electric Power Commission contract.

An Investment Issue

Looked at therefore from an investment viewpoint, the preferred stock of Canadian Hydro-Electric Corporation appears to be thoroughly sound investment. The assets of the company are well over $100,000,000, its properties are among the best, and a market for its power is already assured over a long term of years.

One objection at the moment to the stock, might be raised on account of its marketability. The stock is not as yet listed on any exchange, but is being traded in by the houses which originally sponsored the issues namely, Drury and Company and the Dominion Securities Corporation Limited. However, it is understood that applications will shortly be made to list the stock, probably on the Toronto and New York Exchanges, in which case a market would be created which would considerably improve its marketability. In all likelihood the appearance of the stock on either or both of these exchanges would be reflected in an appreciation in its value, as its possibilities and potentialities would become much more generally realized than they are at present.

Many Other Contracts

In addition to this major contract with the Hydro Electric Commission, the company had entered into favorable contracts with the Canada Cement Company, the Fraser Companies, the Canadian International Paper Company, and the New Brunswick International Paper Company. This last organization will distribute power in about the Grand Falls, New Brunswick, area as soon as the Grand Falls plant breaks into production.

Use of Instrument Makes Phone Rates

It is obvious that, mathematically, the number of possible combinations between pairs of telephones increases very greatly as additional telephones are installed in a given area. Of course, but a fraction of the total possible combinations are ever made use of, but it is true that the telephone user may call for any one of these possible combinations at any time and the companies must, therefore, provide equipment whereby any desired connection can be effected upon request. Hence telephone rates must increase with the increasing number of installations. Of course, the value of the instrument to the subscriber also increases proportionately.

PULP AND PAPER UTILIZES OVER 1,300,000 H.P.

Industry is Largest Consumer of Electric Power in Canada

At the end of 1927, 27 per cent. of all the power produced in Canada was being used in the pulp and paper industry.

The high proportion is indicative of the interdependence of the pulp and paper and power industries of Canada.

Without an abundant supply of growing pulpwood, there would be but little prospect of a flourishing pulp and paper industry in Canada, but on the other hand since it takes practically 100 horsepower to produce one tone of newsprint per day, there is no doubt that low priced power is an equally fundamental factor in the success of Canada's pulp and paper industry.

Can Use Surplus Power

It is not to be wondered at that Canada's abundant water power, which nature has distributed among our extensive forest reserves, has been utilized to such an extent by pulp and paper manufacturers. Not only can the power be used directly in the manufacture of newsprint, but any surplus or off-peak power can be used most advantageously in the generation of steam for heating or process cooking.

The use of steam as a source of power in the pulp and paper industry is very limited. Its use is confined almost entirely to meet special conditions such as exist in close association with the manufacture of lumber when refuse from the latter can be used as fuel under the boilers, or in the manufacture of specialized lines of output. Thus practically the entire pulp and paper industry depends upon water power for its motive power.

Use 1,300,000 H.P.

Actual figures covering the amount of power used at the end of 1927 show that there was a total installation in Canadian pulp and paper mills of 528,731 horsepower, and that in addition the mills themselves purchased from central electric stations some 774,000 horsepower, giving a total utilization of hydro power of 1,302,972 horsepower. As the total Canadian installation is something like 4,777,-on a percentage basis at approximately 27 per cent. of the total hydro electric installation of Canada.

One of the most important features of this application of hydro electric power to the pulp and paper industry, is the electric drive. This provides the uniform feed which assures a high quality product and permits the establishment of the mill at the place most suitable from the viewpoint of operation and shipment of product. It also permits the centralized operation of large mills receiving power from several hydro electric sources. According to statistics available, almost half the total hydraulic installation of the present paper mills is connected to electric generators by means of the electric drive. Add to this also the amount of hydro electric power purchased by the pulp and paper mills and it is found that hydraulic turbines with an estimated total of over 1,000,000 horsepower are connected to electric generators to supply the demands of the industry. This leaves only some 286,000 horsepower of energy to be supplied by means of the direct drive or water wheel.

Canada's Power Position is Outstanding in World

Power Development in North America Faster Than Elsewhere — Canada and U.S. Produce Half of World's Output of Water Power

The developed water power throughout the world has increased by about 43 per cent. in the six years between the 1920 and the end of 1926. About three quarters of this increase took place in Canada and the United States. Both countries are outstanding as compared with all others in the rate at which new hydro electric plants are being constructed.

It is difficult, in fact impossible, to co-ordinate the estimates of the potential water power of all the countries in the world because of the differences in the way in which the figures have been computed. For instance, Canada has water powers with a rated capacity of some 18,250,000 h.p. Yet it is admitted everywhere that the actual generator equipment could probably be made to total thrice this figure due to the possibilities of water storage at off-peak periods and due to other increases in the power available through the erection of further storage reservoirs and other means taken to increase the flow of the rivers. Yet a comparison of sorts is available from figures computed in various countries.

The following figures show the developed and potential water power developments in some of the chief countries of the world. The recapitulation reveals the fact Canada is second largest producer of water power in the world and that Canada and the U. S. develop close to 50 per cent. of the total developed hydro electric energy of the world:

	Developed	Potential
Canada	4,556,000	18,250,000
United States	11,721,000	35,000,000
Mexico	300,000	6,000,000
Newfoundland	160,000	400,000
Brazil	500,000	25,000,000
Chile	114,000	2,500,000
Argentino	25,000	5,000,000
Sweden	1,350,000	8,000,000
Norway	1,900,000	9,500,000
Finland	220,000	1,800,000
Russia	230,000	3,000,000
Siberia	90,800	8,000,000
Czechoslovakia	155,000	1,000,000
Jugoslavia	180,000	3,000,000
Austria	325,000	1,660,000
Italy	2,300,000	3,800,000
Switzerland	1,850,000	2,500,000
Germany	1,100,000	2,000,000
France	2,000,000	5,400,000
United Kingdom	250,000	850,000
Spain	1,000,000	4,000,000
India	200,000	27,000,000
China	1,650	20,000,000
Japan	1,750,000	4,500,000
Belgian Congo	250	90,000,000
Australia	2,000	600,000
New Zealand	60,000	2,500,000
Recapitulation		
North America	16,800,000	66,000,000
South America	750,000	54,000,000
Europe	13,100,000	58,000,000
Asia	2,100,000	69,000,000
Africa	14,000	190,000,000
Oceanica	240,000	17,000,000
	33,000,000	454,000,000

Nine Billions Needed for Power Investments

Development of Water Powers in Next Ten Years Will Mean the Investment of at Least $8,750,000,000 in This Country

THE additional development of Canada's water powers will, by 1938, bring about a further capital investment in this country amounting to some $8,750,000,000; provide employment for an additional 2,000,000 persons and increase the annual wage distribution of the Dominion by $290,000,000. These figures seem large. In reality, though, they are a moderate forecast.

In the United States from returns compiled from hundreds of companies, it has been worked out that the development of 1,000 horsepower entails the investment of $250,000, employs 8.5 persons who receive annually in wages $13,000. In addition industries dependent on power employ a further $1,500,000 of capital, employ 380 employees and pay out annually in wages $450,000. This presents the average picture of the results obtained on this continent with the development of hydro power.

The Dominion now utilizes 5,000,000 horsepower. In the past, the power development of this country has doubled itself every eight years. All those with a knowledge of electrical situation feel that this increase will be continued due to the increasing demand for power. But to be conservative, it will be more than safe to say that there will be 10,000,000 developed horsepower in Canada in 1938, ten years hence.

The foregoing figures showing how this added development will affect the economic situation of the country were obtained simply by multiplying the result obtained from the development of 1,000 horsepower by 5,000.

"STUPENDOUS" IS WORD TO DESCRIB GROWTH IN POWE

As Power is Developed Creates Its Own Market

INCREASE 2,700 P.C.

One Horse-Power is Equ alent to Thirty Man-Power

One of the attractive investm
features of power securities l
in the fact that power compan
have and will continue to experie
a remarkably large growth. Thi
years ago there were practically
turbine installations in Canada. T
year turbines in Canada will
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The rate of growth of the indus
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doubt that there will be turbin
with a capacity amounting to 1
000,000 horsepower installed in C
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Increased 2,700 Per Cent.

The growth in the installed t
bine installations in plants for t
past 27 years amount to 2,700 p
cent. The growth in the capital i
vestment in the power industry h
increased by more than 8,000 p
cent. The disparity in the figures l
in the increasing investment
transmission and distribution li

In a book recently published
the water powers of the Domin
the investment house of Nesbi
Thomson and Company points o
that one of the reasons why t
demand for power will be contin
lies in the fact that one horsepow
is estimated to be the equivalent
30 man power and that in this d
and age, man power is so valua
that it must be replaced by pow
supplied from other sources.

Creates Its Own Market

There are other reasons why t
demand for power will continue
grow. Power once developed see
to create a market for itself.
many instances in Canada, pla
have been erected with an appar
market only for a small proporti
of their total output. But as so
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tically every instance to meet the
mand, have been forced to bri
their plant up to its full capac
by the installation of further equ
ment.

The increasing mechanization

(Continued on page 35)

ELECTRICAL PIONEERS
at FORT WILLIAM, ONT.

Service That is Building a Distric

Fort William occupies a key position at the Canadian head of the Great Lakes, where rail and water meet, and where bulk breaking between east and west takes place. Fort William and Port Arthur combined have a grain elevator storage capacity of some 75,000,000 bushels. This is being increased to 90,000,000 bushels in 1928. This is 50% greater than that of any other port in the world.

It is here that the initial installations of the Kaministiquia Power Company were made in 1906, installations which have grown until now there is developed 35,000 h.p. at Kakabeka Falls.

The company's unexcelled service and reasonable rates — which compare most favorably with those of other industrial centres — have made Fort William attractive to industry so that now there are located here five independent pulp and paper concerns, flour mills, iron and steel, car and shipbuilding plants, coal docks and other terminal facilities.

The rapid industrial growth of these cities is reflected in the usage of electrical power, which has increased twenty-fold in as many years, and fifty-fold over 1906.

The district has great possibilities from an industrial, mining, agricultural, lumbering, fishing and tourist standpoint. Fortunately Fort William has not only large developed but large undeveloped power resources—awaiting only capital and labor to bring to fruition. In this future development, as in that of the past, the Kaministiquia Power Company hopes to play its part.

Correspondence solicited.

The Kaministiquia Power Company Limite
FORT WILLIAM, ONTARIO

International Utilities Corp.

Wide Interests of Company in Many Fields Give Interesting Speculative Attraction to Company's "A" and "B" Shares

It was felt by some of the shareholders of International Utilities Corporation that the increase in the outstanding stock this year perhaps tended to weaken the position of the company's securities. However, the shares seem to occupy the same position as formerly, namely, the B shares are an out and out gamble, but they are an attractive gamble. The A stock looks like a fair long hold high yield business man's buy, with a decided speculative tinge.

The record of public utility holding companies in the past has been successful and earnings of the International Utilities during the past twelve months have shown a more than material increase, which has not entirely been held.

Serve 1,100,000 Population

The shares of the company change hands on the New York Curb and on the Montreal Curb and also in Toronto. The corporation was first organized at the end of 1924 and now serves a territory with a population of over 1,100,000. This holding company's chief subsidiaries are the Kentucky Securities Corporation and its several subsidiaries; the Canadian Western Natural Gas, Light, and Power Co.; Canadian Utilities, with its two subsidiaries, Northwestern Utilities and the Princeton Petroleum Co.; Gas Production and Transportation Co.; Buffalo and Erie Railway Co.; Nanaimo Electric Light, Heat and Power Co.; Duncan Utilities and the Vegreville Utilities. It is understood that close to 50 per cent. of the company's revenues now come from Canadian Utilities.

The subsidiary companies provide the entire light and power requirements of Lexington, Ky., Nanaimo, B.C., Duncan, B.C., Vegreville, Alta., Watrous, Sask. Through wholesale power contracts, the subsidiaries also serve twelve other Kentucky communities. The corporation serves the cities of Calgary, Edmonton and Lethbridge, and eleven other communities in Alberta with their entire gas requirements. In addition, the Kentucky subsidiary does an ice and cold storage business in Lexington and Georgetown, Ky. The subsidiaries provide the entire tramway service in Lexington and Frankfort, Ky., and operate a fast freight and passenger electric railway between Buffalo and Erie, Pa. A water system is operated in Duncan, B.C. also. The entire system serves 53 communities and operates 711 miles of gas main and 200 miles of electric railway.

Hold Oil Leases

Earnings from the Buffalo and Erie Railway have not been satisfactory. But from the Canadian utilities profits have increased very substantially indeed during past year. There has also been a steady increase in the earnings of the Kentucky Securities Corporation and its several subsidiaries. One of the speculative features of the stock is the possibility that the company may locate oil on some of its leases held through the Princeton Petroleum Co.

The Northwestern Utilities has been doing an ever increasing business. It supplies natural gas to the city of Edmonton and the surrounding territory.

The International Utilities has no bonded debt other than the bonds outstanding on its subsidiaries. From the capitalization of the company it can be seen that earnings will have to grow materially before there is a satisfactory amount in profits applicable to the B shares. One of the unsatisfactory points, of course, of the B stock is the number of shares outstanding.

Statements Show Little

Like the balance sheets of most holding companies, the consolidated balance sheet of the International Utilities Corporation and its subsidiaries reveals very little to the investor.

From time to time the corporation acquires further utilities and usually pays for them by issuing further preferred stock or further class A stock, which sometimes carry a bonus of class B shares. Net earnings of the company applicable to its stock for 1927 show an increase of very nearly 100 per cent., as against a year ago. Thus, the corporation is beginning to make earnings on its B stock.

Capitalization—

	Authorized	Outstanding
Class 'A' stock .. (No par value).	500,000 shs.	158,798 shs.
Class 'B' stock (No par value).	*1,000,000 shs.	545,434 shs.
Preferred ..... (No par value).	100,000 shs.	36,968 shs.

* 215,788 shares redeemed against outstanding subscription rights.

Dividend Record—
Initial dividend of 87½ cents a share on Class "A" stock paid Jan. 15, 1925; regular quarterly payments since, Jan., Apr., July and Oct. 15. Initial dividend of $1.75 a share on the $7 cumulative preferred stock paid Nov. 1, 1925, payable quarterly, Feb., May, Aug. and Nov. 1.

Officers and Directors—
P. M. Chandler, chairman of board and pres.; T. A. McAuley, F. W. Bacon, E. H. Wands, J. R. Dunlap, Jr., H. C. Phelan, vice-presidents; A. S. Hart, sec.; Hon. T. H. Birch, W. H. Despard, R. M. Boyd, Jr., E. J. Hallberg, asst. sec.; H. Williams, Jr., treas.; Geo. de B. Keim, A. S. Kimberly, R. E. Wilsey, E. Coste.

INCOME AND SURPLUS ACCOUNT
Twelve Months Ended November 30

	1927	1926
Gross Earn.	$5,667,804	$4,776,597
Oper. Expenses	3,635,512	3,226,503
Net earnings	2,032,291	1,550,094
Deductions—		
Debt, int. and disc. ..	759,008	784,211
Other interest	79,724	58,529
Divs. of subs.	288,398	210,575
Total deductions	1,127,131	1,053,316
Net to surplus	905,159	496,777
Net surp. adjust.	*50,192	*1,564
Profit from secs.	84,832	......
Combined net earnings, before Federal income tax of holding co. ..	939,798	495,212

*Debit.

Market Record—

	1926 H	1926 L	1927 H	1927 L	*1928 H	*1928 L
Class A	38½	29½	52½	28	51¼	44¼
Class B	9¼	5	13½	4½	10⅝	6½

* To Feb. 25.

CANADIAN UTILITIES
(Controlled by International Utilities

Capitalization—

	Authorized	Outstanding
Common .... No par value.	60,000 shs.	60,000 shs.
Preferred .... Par $100.	$1,500,000	$1,500,000

Officers and Directors—
T. A. McAuley, pres.; E. H. Wands, vice-pres.; F. W. Bacon, vice-pres.; D. C. Kenny, vice-pres.; W. K. Fraser, sec., Toronto; H. Williams, Jr., treas., New York; P. M. Chandler, A. S. Kimberly, H. Williams, G. de B. Keim, R. P. Buell, P. R. Johnson.

INCOME AND SURPLUS ACCOUNT
Years ending Dec. 31

	1926	1925	1924
Oper. revenue	$742,834	$720,274	$564,368
Oper. expenses	222,300	296,599	363,167
Net earnings	520,534	423,675	201,201
Funded debt, int. and exp.	222,054	227,387	113,750
Floating debt int. and exp.	26,815	32,380	24,941
Net income	271,665	163,908	62,510

Northwestern Util.

Earnings in 1927 Substantially Ahead of Dividend Needs of Company

Subsidiary of International Utilities
(Controlled by Canadian Utilities)

The investment interest in the Northwestern Utilities, a subsidiary of the International Utilities, lies in its bond issue. The annual report of the company for the year just concluded has not been issued, but earnings are substantially in excess of bond interest requirements. With the expansion of this subsidiary during the past year, an increase in its earnings can be anticipated.

The company commenced to supply gas to the city of Edmonton in 1923 and at that time was financed by a bond issue carrying a bonus of common stock. It is understood that the company has increased its earning power very largely and it is certain that over the past few years it has been able to increase the number of its customers more than substantially.

The entire capital stock of Northwestern Utilities is held by the Canadian Utilities, Ltd., which, in turn, is controlled by the International Utilities Corporation. The subsidiary company operates under an exclusive 20 year renewable franchise to supply natural gas to the city of Edmonton for domestic and heating purposes at favorable rates. These rates are fixed by the Board of Public Utility Commissioners of the Province of Alberta, based on a 10 per cent. net return after deducting sinking and depletion funds and operating expenses.

It is estimated that the company's gas field contains not less than 60,000,000,000 cubic feet of gas and it holds other areas, yet untapped, which are estimated to contain at least as large a supply.

Capitalization—

	Authorized	Outstanding
Common .... (No par value).	60,000 shs.	60,000 shs.
Pref. cum. 8%	$1,500,000	$1,500,000
Prior pref. 6% .... Par $100.	1,000,000	136,085

Funded Debt—

First mortgage sinking fund 7% bonds, due 1938	4,000,000	3,130,000

Officers and Directors—
C. J. Yorath, pres. and man. dir.; P. M. Chandler, chairman; F. W. Bacon, vice-pres.; T. A. McAuley, vice-pres.; P. R. Johnston, Geo. de B. Keim, H. R. Milner, J. Garrett, P. A. Thomson, A. S. Kimberly, S. Rogers, H. C. Flood, R. P. Buell.

INCOME AND SURPLUS ACCOUNT
Years ending Dec. 31

	1926	1925
Revenue	$739,916	$643,117
Less: Expenses	221,060	186,372
Amort. reserve	88,698	77,448
Depl. reserve	106,437	92,938
Bond interest	222,054	227,387
Other interest	21,534	25,821
Cont. reserve	......	6,000
Net Profits	80,133	27,151

Can. Western Gas

Calgary Utility Enterprise Makes Excellent Use of New Capital Raised

Subsidiary of International Utilities

The Canadian Western Natural Gas, Light, Heat and Power Co. is a subsidiary of International Utilities. There is an investment interest, though, in the subsidiary. The company has made excellent use of the new capital which it received by floating a $1,700,000 6 per cent. participating, sinking fund, preference stock issue about ten months ago. Earnings are increasing. The only mortgage indebtedness of the company consists of a $1,173,000 debenture stock issue, held largely by English investors.

The company produces and distributes natural gas for heating and industrial purposes in Calgary, Lethbridge, Granum, Claresholm, MacLeod, Nanton, Okotoks and Brooks. It serves a population of some 85,000. The number of customers to whom gas is supplied has increased from 5,000 in 1913 to well over 15,000 at the present time. The company has been in continuous and successful operation for over fifteen years. It operates under the jurisdiction and control of the Board of Public Utility Commissioners of the province of Alberta, which has the right to fix rates so as to provide a reasonable return to the company.

There are 21 producing gas wells, mainly in the Bow Island and the Foremost gas field located about 120 miles south east of Calgary. It purchases gas also from a subsidiary of Imperial Oil in the Turner Valley.

The distributing system includes 270 miles of main trunk line, 19 miles of steel pipe lines and 185 miles of distributing mains in the cities and towns served. It operates over 240 miles of private telephone lines.

Capitalization—

	Authorized	Outstanding
Common	$8,000,000	$8,000,000
Preferred 6% .... (Par $100).	3,000,000	2,525,900

Funded Debt—
5% first mortgage debenture stock redeemable 1936 .... $1,087,446

Dividend Record—
On preferred, 6% per annum, paid quarterly in 1925, 1926 and 1927. Initial dividend on ordinary of 1% paid Aug., 1914; 1% paid March, 1915; 1% paid Aug. 1915; 2% Nov., 1916; 2% Dec., 1917; 2% Dec., 1918; 8% Mar., 1926 and 1927.

Officers and Directors—
C. J. Yorath, pres. and man. dir.; F. W. Bacon, vice-pres.; A. E. Cross, P. M. Chandler, A. G. Baalim, J. W. Davidson, Paul R. Johnson, P. D. Mellon, H. S. Tims, manager.

INCOME AND SURPLUS ACCOUNT
Years Ending Dec. 31.

	1927	1926	1925x
Sale of Gas	$1,565,023	$1,220,493	$1,590,923
Other revenue	96,410	62,616	25,893
Total income	1,661,433	1,283,109	1,616,816
Less: exp., etc.	846,304	561,550	585,823
Interest ..	68,743	113,668	137,602
Deprec. ..	11,698	7,876	389,079
Income tax	......	12,223	20,137
Amort. & dep.	187,862	132,256	......
	1,114,607	827,573	1,132,641
Net profits ..	546,826	455,536	484,175
Less approp.:			
Pref. div. ..	76,476	29,262	8,562
Com. div. ..	420,000	240,000	
Surp. for yr.	50,350	186,274	475,613
Add prev. surp.	674,264	487,990	12,377
Bal. car. for.	724,614	674,264	487,990

x For 15 months.

Ottawa Traction Co.

Company Seeks Increase Upon Present Inadequate Five Cent Fare Which Impedes Its Progress

The Ottawa Traction Co. is a holding company only. Its assets consist only of stock in the Ottawa Electric Railway Co. The Ottawa Electric Railway is the oldest street railway system in Canada. No particulars of the subsidiary company's earning power are obtainable, as the subsidiary does not publish an annual income account and the parent company's annual report simply shows dividends from the subsidiary, which in turn are paid out in dividends to the shareholders of the parent company.

During the past year or two, the company has spent over $2,000,000 in carrying out renewal and replacement programs. A number of miles of new track have been relaid; new car shops built; and new buses have been purchased.

Since 1886 the company has operated continuously and successfully under a five cent fare. The abilities of the management enabled the company to pay dividends during the war and in subsequent years, despite the general increase in tram fares throughout North America. This record was achieved only because in former years the company ploughed back earnings into the property.

Of recent years it is felt the company has not been making satisfactory profits due to its low fares, but the past year has witnessed a not insubstantial betterment in the general position of tramways on this continent—a betterment in which Ottawa Traction Co. has no doubt participated. However, profits cannot be at satisfactory levels for the company is applying for an increased rate of fare. This earnings situation explains why the shares sell on a high yield basis. It is certain that the city of Ottawa will fight an attempt to increase the cost of tramways transportation.

Regulation of fares comes under the jurisdiction of a government board. In 1928 and at the end of any subsequent five-year period, the company has the right to submit a new tariff of fares for the next five-year period.

The Ottawa Traction Company has paid annual dividends of 4 per cent. plus one per cent. bonus, continuously since its organization over thirteen years ago.

Capitalization—

	Authorized	Outstanding
Common .... Par $100.	$10,000,000	$5,581,500

Funded Debt—

First mortgage and collateral trust bonds, 5½%, due 1955	$3,000,000
First mortgage 5½% bonds, Ottawa Electric Rlwys., due 1955, issued	$3,000,000

Entire issue pledged as security for 1st mtge. and collateral trust 5½% of 1955, of Ottawa Traction.

Dividend Record—

Year		Year	
1914	4+1%	1921	4+1%
1915	4+1	1922	4+1
1916	4+1	1923	4+1
1917	4+1	1924	4+1
1918	4+1	1925	4+1
1919	4+1	1926	4+1
1920	4+1	1927	4+1

Officers and Directors—
T. Ahearn, president; T. F. Ahearn, E. N. Soper, T. Workman, Col. G. P. Murphy, C.M.G., J. F. Smellie, G. F. Henderson, K.C., Major F. D. Burpee, vice-pres.; Capt. O. G. Whelen, G. L. Snelling, sec.-treas.

Profit and Loss—

	1927	1926	1925
Income	$279,075	$279,075	$279,075
Dividends ..	279,075	279,075	279,075

Market Record—

	Common High	Common Low
1923	67½	60
1924	63	60
1925	66⅞	61
1926	74½	60
1927	70	64
1928x	72	68

xTo Feb 25.

Ottawa Electric Railway

Capitalization—

	Authorized	Outstanding
Stock .... (Par $100).	$4,000,000	$3,519,700

The Ottawa Traction Co. owns $3,484,400

Dividend Record—
Dividends from 1893 to 1904, 8 per cent. per annum; in 1905, 10 per cent.; in 1906, 12 per cent.; including bonus of 4 per cent. in Dec.; 1907 to 1910 inclusive, 10 per cent. and 2 per cent. bonus each year; 1911, 10 per cent. and 5 per cent. bonus; 1912 to 1925, 12 per cent. and 3 per cent. bonus each year, payments quarterly, Jan., Apr., July and Oct.

Funded Debt—
First mortgage 5½%, due 1955 .... $3,000,000
All deposited as security for $3,000,000 Ottawa Traction Co.,

Officers and Directors—
T. Ahearn, pres.; F. D. Burpee, vice-pres. and gen. mgr.; G. L. Snelling, sec. and treas.; J. M. Ahearn, asst. mgr. and pur. agent; A. J. Tobin, supt.; T. Workman, T. F. Ahearn, E. N. Soper, G. F. Henderson, Capt. O. G. Whelen, G. P. Murphy.

Montreal Telegraph

The shares of the Montreal Telegraph Company have a par value of $40 each, upon which the company pays 8 per cent. annually. The price of the stock varies with the ups and downs of current interest rates, for the lines have been leased to the Great North Western Telegraph Company, now controlled by the Canadian National Telegraphs, under a lease, which expires in 1978.

The company now operating the lines, guarantees 8 per cent. on the capital of the Montreal Telegraph which is paid over annually to the company and by them to the shareholders; the proper maintenance of the lines is also guaranteed.

Capitalization—

	Authorized	Outstanding
Capital stock .... Shares, $40 each.	$2,000,000	$2,000,000

Funded Debt—
None.

Dividend Report—
Dividends 8% per annum, (less Canadian Gov't. income taxes) guaranteed by the Western Union Telegraph Co., payable quarterly Jan., Apr., July and Oct. 15th.

Officers and Directors—
Wm. McMaster, pres.; W. R. Miller, vice-pres.; F. W. Molson, J. B. Paterson, H. E. Rawlings, M.P. Domville, sec. and treas.

Market Record—

Year	High	Low
1921	45	43
1922	55	45
1923	53	49
1924	53¼	48
1925	53	45
1926	51½	47
1927	54	49
1928x	55	53¼

x To Feb. 29.

Scotia Trams

Steady Improvement Augurs Well for Holders of Preferred Shares

The past few years have witnessed a steady betterment in the earnings of the Nova Scotia Tramways and Power, and the company appears to be working toward a position where consideration may be given the preferred shareholders, who have not had any dividends for the past seven years. However, the principal investment interest in the company is confined to its bond issue, on which earnings are largely in excess of the interest requirements. Thus there exists the possibility that company might retire its 7 per cent. bond issue and refund the bonds with a new issue bearing a lower rate of interest.

The company owns and operates without competition the tramways, lighting, power and gas services in Halifax. Through a subsidiary it controls the light and power business of Dartmouth, situated on the other side of Halifax Harbor.

The business situation and the business outlook in Halifax is better to-day than it has been for years; hence a continued betterment in the earning power position of the company may be anticipated. The company's franchises are without time limit. Like all other Nova Scotian utilities, Nova Scotia Tramways and Power Co. operates under the Provincial Public Utility Commission and is entitled to earn 8 per cent. on a fair value of the property, subject to certain deductions for depreciation. Regarding earnings, though, there exists several differences of opinion between the company and the commission. The total population served amounts to some 65,000.

The Company is to change its name to the Nova Scotia Light and Power Company and to effect a capital reconstruction which will affect all the present outstanding security issues and place the company in a bettered financial position with profits more in line with its capitalization.

The company has outstanding a total of $3,682,500 in first mortgage and in general mortgage bonds. Both these issues will be called and will be replaced by a new 5 per cent. first mortgage issue. The redemption of the present issues will involve an annual saving in fixed charges for the general mortgage bonds now bear interest at 7 per cent.

Ranking junior to the bonds, the new company will create an issue of 25,000 new six per cent. cumulative preference shares of $100 par value. Doubtless, some of this stock will be sold to keep the company in a sound working capital position.

The new company will have authorized 40,000 common shares of no par value of which 2,510 will be issued to the holders of the present common shares for every ten shares of the present stock.

A further 32,013 shares will be issued to the holders of the present preference shares of the company on the basis of 1.54 new shares for each preference share. In this fashion, the Nova Scotia Tramways and Power will liquidate its arrears of preferred dividends.

INCOME AND SURPLUS ACCOUNT
Years ending Dec. 31

	1927	1926	1925
Gross inc.	$1,491,607	$1,438,903	$1,344,098
Oper. exp.	933,901	892,886	852,728
Net earn.	557,706	546,017	491,370
Less taxes	120,355	110,879	106,643
Bond int.	214,976	216,214	216,925
Balance	222,375	218,924	167,802
Less. deprec.	137,373	......	......
Net income	85,002	......	......
Adjustments	4,438	......	......
	89,440	......	......
Addit. deprec.	35,066	......	......
Writ. off disct.	16,526	......	......
Reval. of invest.	8,300	......	......
Balance	29,548	......	......
Prev. debit bal.	204,023	......	......
Debit bal.	174,475	......	......

Dividend Record—
3 per cent. paid July, 1917, July, 1918, Jan. and July, 1919; the Jan., 1920, and subsequent dividends deferred. Arrears on dividends as at Dec. 31, 1927, amounted to $1,122,468.

Officers and Directors—
W. H. Covert, K.C., pres.; H. E. Mahon, W. C. Pitfield, vice-pres., J. McG. Stewart, J. C. Mackeen, D. Stairs, J. F. Lumsden, mgr., Dr. E. V. Hogan, F. Stanfield, MacGregor Mitchell, C. J. Hayes, secretary, A. W. Wentzell, treas.

Capitalization—

	Authorized	Outstanding
Common	$3,500,000	$2,510,000
Preferred .... Par $100.	2,500,000	2,078,800

Funded Debt—

First mtge., 5% 30-yr. bonds, due 1946	$2,250,000
General mort. bonds, 30-yr., 7%, due 1952	1,432,500

(See above for details of changes to be effected.)

Avon River Power

Nova Scotia Utility is Increasing Capacity of Its Plants

The Avon River Power Co is increasing its generating capacity by the construction of a new generating plant which will produce 4,350 horsepower. The other plant on the Avon river produces 2,600 horsepower, while that on the Gaspereaux river produces 1,100 h.p. When the present development program is completed, the company will have total power resources of 8,000 h.p. Since its inception the company has shown a steady expansion. It has acquired small distributing systems and has extended its transmission lines.

The company serves the eastern section of the prosperous Annapolis valley and a considerable section of Hants County, N.S. A new pulp and paper mill is being erected, which will utilize some of the additional power which is being generated.

Like other Nova Scotian utilities, the company operates under government jurisdiction and is entitled to a return of 8 per cent. on a fair valuation of its property.

Capitalization—

	Authorized	Outstanding
Common	$250,000	$225,[illegible]
Preferred 6% .... (Par $100).	250,000	200,[illegible]

Funded Debt—

First mtge. 5½% bonds, series "A", due 1956	$650,[illegible]
First mtge, 5½%, series "B", due 1957	[illegible]

Officers and Directors—
R. A. Jodrey, pres.; C. H. Wright, vice-pres.; T. B. Akins, sec.; G. W. Hensley, Dr. L. B. Chase.

Profit and Loss
Year Ending Dec. 31

	1927
Gross revenue	$120,[illegible]
Expenses	116,[illegible]
	$ 4,[illegible]
Other profit	[illegible]
Operating profit	$ [illegible]
Pref dividend	6,000
Writ off secs.	[illegible]
Surplus	$ [illegible]
Previous surplus	[illegible]
Balance carried forward	$ [illegible]

WATER POWER
creates an
INDUSTRIAL EMPIRE

Hydro-Electric power speeding over transmission wires from distant waterfalls at the incredible rate of 186,000 miles a second, is now the foundation of economic prosperity. Canada's immense reserve of "White Coal" is destined to create an industrial empire, in which the investor in water power securities will hold a profitable share.

"Your Savings Grow In Power"

SITES FOR PROGRESSIVE INDUSTRIES

TYPICAL of the success that attends the prudent development of hydro-electric properties has been the progress of the companies referred to on the adjoining page. These in every case have been financed either wholly or in part by Nesbitt, Thomson & Co., Limited. Combined, they would have a capacity equal to about one-tenth of Canada's total present hydro-electric developments.

These plants, located across the country, afford manufacturers an opportunity to secure reliable power at economical rates. Through high-power transmission lines they serve wide areas—which, consequently, are growing rapidly as industrial communities.

Manufacturers interested in securing factory locations should write to these companies, or full information can be obtained from the undersigned.

NESBITT, THOMSON & COMPANY
Limited
Royal Bank Building · TORONTO 2
Montreal Ottawa Quebec Hamilton
London, Ont. Winnipeg Saskatoon Vancouver

Consumers Gas Co.

Toronto Enterprise is One of Canada's Premier Investments—Uses of Commodity Constantly Increasing

One of the premier Canadian utility investments is Consumers' Gas Co. of Toronto. The company serves a growing community with an essential and increasingly popular commodity. The company is well managed, soundly financed and the recent complete routing of the demagogic enemies in politics gives a reasonable assurance that for some time to come the company will not be subjected to litigation of the character which recently compelled it to defend itself before the Privy Council in England.

The company has no funded debt or preferred stock. Under the Acts of the provincial government under which the company operates, the dividend is limited to 10 per cent. of the capital stock, which at present is $12,000,000. This dividend will be maintained. Earnings in excess of the 10 per cent., plus certain authorized reserves, go into a special fund which, when it has reached a certain figure in relation to total consumption, is applied to reducing the price of gas to the public.

Will Need More Capital

The market value of Consumers' Gas stock will increase for two reasons. The first is the gradual decrease in the value of money; for instance, at the present time the $100 stock is selling at about $200 per share, which gives a yield of 5 per cent. The second factor in appreciation of principal in this investment issue, is the probability that within a few years the company will need additional funds for expanding its facilities. In the past, expansion has been met by offering to shareholders additional stock at somewhat under the market value. Probably the company will not require to issue any new stock for some time, because it has on hand a fund in excess of $5,000,000, which it obtained by way of premium on stock sold. The Privy Council recently decided that this premium could be used for capital expansion and for other purposes of the company and was not properly part of the fund which applies to the reduction in price of gas. But with the company expanding its facilities both within the city of Toronto and environs, it is reasonable to expect that additional funds will be required eventually.

There has been a gradual increase in net profits of the company since the post-war deflation period and it can be expected that this rate of growth will be accelerated somewhat. New uses for gas are being developed and this company is in position to take advantage of any broadening of market which may take place. Arthur Hewitt, the general manager, in the course of his remarks at the annual meeting last November stated that the outlook for the gas industry is excellent, although the original purpose for which gas was used, lighting, had been almost entirely displaced.

For Every Heating Purpose

He pointed out that Consumers' Gas Co. had grown tremendously even in territory where electricity, at least for household purposes, was considered extraordinarily cheap. He said that the company's growth in the last twenty years had been 529 per cent., while the industry as a whole had grown 352 per cent. The territory served by the company had grown 166 per cent., while the population served by the industry as a whole had grown 50 per cent. He added that he believed the day would come when gas would be used for every heating purpose.

Capitalization—

	Authorized	Outstanding
Common	$12,000,000	$12,000,000

Par $100.

Issues of Capital Stock

Date sold	Amount	Aver. price realized
Previous to 1887	$1,000,000	$100.00
July	200,000	180.32
July, 1889	125,000	176.60
August, 1889	175,000	175.10
April, 1891	100,000	168.25
October, 1893	100,000	183.04
October, 1900	50,000	215.47½
May 28, 1903	50,000	209.15
November 4, 1903	100,000	192.86
June 29, 1904	100,000	200.00
Dec. 6, 1904	250,000	210.00
April 3, 1906	250,000	200.75
June 6, 1907	300,000	190.66
Dec. 12, 1907	450,000	180.44
Jan. 19, 1909	250,000	203.91
April 4, 1910	500,000	199.99
April 18, 1911	384,500	192,64
June 26, 1913	340,500	166.84
Dec. 15, 1913	157,000	161.95
Allotted May 21, 1917	478,700	at 150.00
Sold by tender Jan. 5, '21	639,300	758.983
Allotted Feb. 8, 1923	2,000,000	at 135.00
Allotted Feb. 3, 1925	2,000,000	at 140.00
July 15, 1926	2,000,000	at 150.00
	$12,000,000	

Funded Debt—

None.

Dividend Record—

1848 to 1857, 10 per cent.; 1858 to 1873, 8 per cent.; 1874 to date, 10 per cent.

Market Record—

	High	Low
1912	196	189
1913	191	165
1914	180	169
1915	185	176
1916	176	160
1917	165½	147
1918	153	144½
1919	152	138
1920	150	125
1921	x75	x65
1922	q160	x72
1923	163	150½
1924	170½	159
1925	177	164
1926	183⅞	170
1927	199	171½
1928†	200	196

xQuotation "Dollars per share" instead of "percentage."

qNew stock of $100 par.

†To Feb. 29.

Earnings Growth—

The table of gross and net earnings in a period of years follows:

Year	Gross	Net
1927	$7,093,752	$1,817,185
1926	6,999,399	1,811,482
1925	6,623,340	1,550,924
1924	6,615,044	1,402,540
1923	6,888,353	1,384,704
1922	6,813,939	1,478,274
1921	7,214,881	1,540,932
1920	6,426,896	1,240,274
1919	5,506,215	965,917
1918	5,095,006	776,665
1917	4,296,349	953,306
1916	3,637,805	919,576
1915	3,440,008	865,380
1914	3,577,982	944,949
1913	3,203,310	841,981
1912	2,464,368	718,134
1911	2,214,873	697,006
1910	2,070,691	754,760
1909	1,737,000	604,083
1908	1,587,362	556,822
1907	1,363,400	455,360
1906	1,241,830	500,952
1905	1,095,650	412,259

Officers and Directors—

A. W. Austin, pres.; A. R. Auld, A. H. Campbell, Lt.-Col. J. F. Michie, F. Le M. Grasett, M.D., vice-pres.; L. Goldman, W. Mulock, K.C., Mayor of Toronto; F. G. Osler, T. H. Wood, Arthur Hewitt, gen. mgr.; John J. Armstrong, sec.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING SEPTEMBER 30

	1927 $	1926 $	1925 $	1924 $	1923 $	1922 $
Gross Earnings	7,093,752	6,999,399	6,623,346	6,615,045	6,883,353	6,813,939
Less—						
Expenses and Taxes	5,276,567	5,187,916	5,072,422	5,212,504	5,498,649	5,335,666
Interest	......	......	......	......	8,586	51,516
	5,276,567	5,187,916	5,072,422	5,212,504	5,507,235	5,387,182
Net Profits	1,817,185	1,811,483	1,550,924	1,402,541	1,376,118	1,426,757
Other Income	92,713	57,273	32,210	40,290	......	......
Total	1,909,898	1,868,756	1,583,134	1,442,831	1,376,118	1,426,757
Less Appropriations—						
Dividends	1,200,000	1,049,349	895,176	798,741	689,253	600,000
Plant and Building Ren.	853,250	790,599	710,281	634,235	591,002	565,539
Reserve	......	......	......	......	......	140,906
Surplus for year	*143,352	28,808	*22,323	9,855	95,863	120,312
Add Previous Surplus	232,515	203,707	226,030	216,175	120,312	......
Bal. Carried Forward	89,163	232,515	203,707	226,030	216,175	120,312

*Debit.

Bell Telephone Co.

Recent Rate Award Allows Company to Obtain Fair Return on Its Investment and Gives Greater Stability

Just about a year ago the Bell Telephone Co. of Canada was permitted by the Railway Board to bring into force a change in its tariff, which allowed the company to obtain a fairer return on its investment. The higher rates were required because in the preceding year the rates allowed the company to operate at a loss. Incidentally, from an investment angle the award of the Board of Railway Commissioners indicates that because of its record of able, efficient and economic management the government will allow the company in future to operate with tariffs sufficient to ensure the maintenance of the dividends and to allow the company to obtain a fair return on its investment.

The chief satisfactory point about an investment in the shares of the Bell Telephone Co. is the fact that the value of the telephone instrument to individuals or to businesses is far in excess of the annual cost of the service.

Unlike other businesses or industries, with the growth of the telephone business the unit cost rises. In other words, the more telephones there are in the company's territory, the heavier will be the load on the individual units. This is one of the reasons why the company asked for increased tariffs over a year ago.

The company operates under the jurisdiction of the Board of Railway Commissioners. While there may be an occasional outburst about wrong numbers from the public, yet in the years to come the company should benefit materially from the measure of goodwill which it has established both through its efficient service and through the honorable record of those who have administered its affairs over a long term of years.

Shareholders in the Bell Telephone Co. can hardly expect an increased return by way of dividends. But from time to time they can expect substantial new issues of stock to present shareholders at a price which will give them a satisfactory profit. Some indication of what may be expected in the way of rights may be judged from the fact that over the next five years the company will require perhaps as much as $100,000,000 for improvements and extensions to its plant.

Maintain Capital Balance

The company always maintains a conservative relationship between the amount of its bonds and the amount of its shares outstanding and thus perhaps 60 per cent. or more of this new money will come from the issuance of new stock to the present shareholders.

The Bell Telephone Co. is associated with two other organizations, the Northern Electric and the American Telephone and Telegraph. The large United States holding company owns just over 32 per cent. of the outstanding stock of the Bell Telephone, which in turn owns 50 per cent. of the shares of the Northern Electric. The Northern Electric is engaged in the manufacture of electrical equipment.

The Canadian company makes annual payments to the parent United States organization. These payments allow the company to obtain the newest equipment which the parent company develops. The parent organization is recognized throughout the whole world as one of the chief agencies responsible for the advancement of electrical knowledge through research. The progress of the Canadian company is dependent upon one thing only, namely, research, and research of a fundamental character, not merely the application of new discoveries to present equipment. This is one of the chief benefits which the Canadian company receives through its contract with the United States organization.

The Bell Telephone Co's territory includes only Ontario and Quebec, but it holds stock in subsidiaries operating in the three Maritime provinces. Of the 14,000 shareholders, only 400 reside outside the Dominion. Many of the employees hold stock in the company.

One of the satisfactory points about the company is the fact that ever since its inception it has steadily ploughed back a large proportion of its earnings each year into the property. Thus, the value of the property is far in excess of the total funded debt and capital stock outstanding.

The financial record of the Bell Telephone Co. has always been open and above board. The company has never tried to hide its profits by the usual artifices. Nor can it be said that profits have been concealed by selling new stock, for all stock issues have been made either at par or over par. When sold above par the premium received by the company is clearly set forth on its books. Increased earnings as they have accrued have gone back into the plant and have not been used to enrich the shareholders, as the long maintained 8 per cent. dividend rate bears silent witness.

Capitalization—

	Authorized	Outstanding
Capital stock	$75,000,000	$49,080,400

Par $100.

Funded Debt—

5 per cent. first mortgage bonds, series "A," due March 1, 1955, $30,000,000.

5 per cent. first mortgage, series "B," due 1957, issued $10,000,000.

Dividend Record—

8 per cent. per annum paid regularly since 1891.

Market Record—

	Stock		Bonds	
Year	High	Low	High	Low
1912	176½	145	104	99¾
1913	173	138	101¼	96
1914	159¼	140	100	97½
1915	159	140	100	96½
1916	152	143	100¼	97
1917	150	129	99½	92¾
1918	132½	128	93½	87¼
1919	133	110¾	96¼	91
1920	111¼	100	93	90
1921	112	99¼	93½	91¼
1922	120¼	103	98	94
1923	128¼	112	99½	99
1924	140	125	100½	98¾
1925	144¼	132¾	98¼	98¼
1926	142½	136	101¼	99½
1927	159⅜	137	...	...
1928*	164	154	...	...

* To Feb. 25.

Officers and Directors—

L. B. MacFarlane, chairman of board; C. F. Sise, pres.; K. J. Dunstan, vice-pres.; J. E. Macpherson, vice-pres.; W. H. Black, sec.-treas.; E. Palm, comptroller; F. W. Molson, W. F. Angus, Geo. Caverhill, Hon. S. C. Mewburn, K.C.; Sir G. Garneau, A. B. Purvis, Hume Cronyn, H. B. Thayer, Thos. Ahearn, Glyn Osler, W. S. Gifford, J. W. Ross, P. A. McFarlane, gen. mgr.

EASTERN TOWNSHIPS TELEPHONE

(Controlled by Bell Telephone Co.)

Capitalization—

	Authorized	Outstanding
Common	$142,000	$21,620
Pref. 6%	58,000	57,900

Par $10.

A majority of the capital stock is held by the parent company.

Funded Debt—

First mtge. 6 per cent. bonds, due 1932 .... $115,300

Dividend Record—

Preferred 6 per cent. non-cumulative, payable April and Oct. 15.

(Only 4 per cent. was paid in 1923 and 1924).

Dividend on common at the rate of 4 per cent. per annum, for 3 months ending Sept. 30, 1927, was paid Oct. 15, 1927. Rate has been increased to 6 per cent. per annum, by the declaration of a dividend for the 3 months ending Dec. 31, 1927, payable April 15, 1928.

Officers and Directors—

Officers.—A. C. Skinner, pres.; H. B. Fletcher, vice-pres.; T. J. Harding, man. and sec.-treas.

Directors.—Robert Neilson, Montreal; E. Winn Farwell, H. Bruce Fletcher, T. J. Harding, A. C. Skinner, Sherbrooke, Que.; J. W. Quinn, Windsor, Que.; J. R. Collins, Montreal; C. L. Jenkins, Rock Island; W. T. Oughtred, Marbleton; D. J. Rayside, Montreal.

INCOME ACCOUNT

Years ending Dec. 31

	1927	1926	1925
Gross revenue	$86,352	$83,461	$80,821
Oper. expenses, deprec., etc.	67,248	65,754	64,526
Net earn.	19,104	17,707	16,295
Int. charges	7,199	7,657	8,137
	11,905	10,050	8,158
Dividends	4,015	3,474	3,048
Surp. for year	7,890	6,576	5,110

INCOME AND SURPLUS ACCOUNT, YEARS ENDING DECEMBER 31

	1927 $	1926 $	1925 $	1924 $	1923 $	1922 $
Gross Earnings	33,210,645	28,460,923	26,168,977	24,208,411	22,225,714	20,245,823
Less: Oper. Expenses	25,180,512	23,486,142	20,271,030	18,671,615	16,886,632	15,526,666
Net Earnings	8,030,133	4,974,781	5,897,947	5,536,796	5,339,082	4,719,157
Less: Uncollect. Revenue	133,079	143,075	114,686	108,657	89,485	51,690
Taxes	1,377,300	1,084,000	1,091,056	1,032,482	982,320	821,357
Rent and Miscellaneous	158,871	123,737	114,089	95,189	86,018	85,270
Bond Interest, etc.	2,219,342	1,791,970	1,485,565	1,252,854	1,067,176	1,035,644
Net Profits	4,141,541	1,831,999	3,092,551	3,047,614	3,114,083	2,725,196
Non-oper. Revenues	671,004	633,877	787,903	719,482	695,786	208,472
Net Income	4,812,545	2,465,876	3,880,454	3,767,096	3,809,959	2,933,668
Less Appropriations—						
Dividends	3,972,677	3,906,802	3,889,166	3,215,039	3,135,921	2,457,740
Employees' Benefit Fund	250,000	......	......	......	200,000	......
Corporate Surplus	589,868	*1,440,926	*8,712	552,057	474,038	475,928

*Deficit.

THE STORY OF 47 YEARS

Year	Gross Earn.	Oper. Exp.	Miles Long Dist. Wire	Telephones in Service
1880	$ 29,670	$ 18,617	......	......
1885	362,828	204,828	3,000	9,614
1900	1,614,262	1,229,977	21,350	38,360
1905	3,517,595	2,615,276	37,082	78,195
1910	5,510,685	3,963,559	54,138	138,910
1915	9,634,678	7,412,688	79,908	242,784
1920	16,789,642	15,684,869	102,187	376,361
1922	20,245,823	15,526,666	104,551	434,223
1923	22,225,714	16,886,632	107,317	486,241
1924	24,208,411	18,671,614	120,735	536,848
1925	26,168,977	20,271,030	122,326	589,321
1926	28,460,923	23,486,142	......	630,161
1927	33,210,645	25,180,512	......	668,383

Ottawa L. H. and Power

Competition from Publicly-Owned Hydro System Prevents Company Making Progress It Should

The Ottawa Light, Heat and Power Co. supplies electricity and gas service to the City of Ottawa and the surrounding territory through its two subsidiaries, the Ottawa Electric and the Ottawa Gas Co. The parent company owns all the common stock in these subsidiaries and the consolidated returns of the year's operations are shown in the balance sheet of Ottawa "Power."

The company supplies gas and electricity to the city of Ottawa. It supplies the entire gas requirements of the city and about two-thirds of the electric light, heat and power requirements of its territory. The remainder of the power supplied in the city is sold by the Ottawa Hydro-Electric Commission—the local publicly owned competitor of the company.

Competition From "P. O."

The competition which the company has experienced from its publicly owned competitor has been the reason why the shares have lagged behind in the general appreciation of power securities over the past few years.

However, the company has been able to obtain a majority of the competitive electric power business in the city and its environs. Moreover, the low point of earnings applicable to the common stock seems to have been reached some years ago and the general trend of its earning power continues upward.

The company operates under an able management and its plants and equipment are kept in such condition that it is more than able to keep pace with the growing demands of the city. It owns and operates hydro power plants with an aggregate installed capacity of 13,000 horsepower, and a reserve steam plant of 6,500 horsepower installed capacity, which takes care of peak loads. These plants are located at the Chaudiere Falls on the Ottawa River in the very heart of the city itself. The location of the plants is important, for with the increasing utilization of those power sites adjacent to the city, the value of two power sites situated so close to the demand for power can hardly fail to appreciate.

Buys More Power

In addition, the company purchases 3,000 horsepower from the Ottawa River Power Co. Ottawa Power obtains this energy at a favorable price. The company's power customers number more than 24,000 and it distributes gas to well over 18,000 purchasers.

In November last the company issued new refunding bonds, which redeemed some issues bearing a higher rate of interest. The total mortgage debt of the company and its subsidiaries now amounts to $4,000,000, as against about $2,200,000 a year ago. The recent financing permitted the company to reimburse itself for expenditures made in expanding its properties.

Annually Ottawa "Power" presents a satisfactory balance sheet to its shareholders, which shows not only a strong working capital position, but reveals reserves equal to almost one-third of the fixed assets. The shares may be regarded as an investment.

Capitalization—

	Authorized	Outstanding
Common	$5,000,000	$3,500,000
Preferred 6½%	1,500,000	1,500,000

Par $100.

Funded Debt—

Refunding mtge. and collateral trust bonds, 5%, due 1957, $3,225,000.

Refund and first mtge., 5% Ottawa Electric, due 1953, $625,000.

Cons. mtge., 5% Ottawa Gas, due 1934, $150,000.

Dividend Record—Common.

Year		Year	
1908	5%	1918	6%
1909	5	1919	6
1910	6+2	1920	6
1911	7+1	1921	6
1912	7+1	1922	6
1913	8+2	1923	6
1914	8	1924	6
1915	7½	1925	6
1916	6	1926	6
1917	6	1927	6

A stock dividend of 25 per cent. was paid in 1911.

On preferred, 6½ per cent. per annum, payable quarterly, Jan., Apr., July and Oct. 1.

Officers and Directors—

Thos, Ahearn, pres.; F. E. Bronson, vice-pres.; L. A. Poulin, H. H. Horsey, W. Lyle Reid, T. Workman, W. C. Pitfield, Abner Kingman, Geo. F. Henderson, K.C., T. F. Ahearn, D. R. Street, gen. mgr., F. W. Fee, sec.-treas.

Market Record—Common—

Year	High	Low
1913	192	143
1914	172	123
1915	123	120
1916	120	92
1917	95	69¾
1918	86	69
1919	87	75
1920	81	70
1921	72½	60
1922	96	70
1923	92½	79½
1924	100	81
1925	105	95½
1926	100¼	92
1927	141½	98½
1928*	134	130
Preferred—		
1924	104	98¾
1925	103½	100
1926	105½	100
1927	108¾	101
1928*	109	105

* To Feb. 28.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING DECEMBER 31

	1927 $	1926 $	1925 $	1924 $	1923 $	1922 $
Gross Earnings	1,920,942	1,854,383	1,787,182	1,720,841	1,718,402	1,685,381
Less Oper. Expenses	1,130,319	1,112,102	1,092,550	1,060,856	1,171,680	1,140,847
Net Earnings	790,623	742,281	694,632	659,985	546,722	544,534
Less: Taxes	158,911	141,576	145,322	122,106	25,581	......
Interest Charges	138,464	142,374	136,526	125,428	206,999	220,107
Depreciation	130,000	105,284	104,950	109,951	97,574	93,741
Bad Debts	......	......	......	......	......	16,853
Tax Adjustment	......	......	......	......	65,664	......
	427,375	389,234	386,798	357,485	395,838	330,701
Net Profits	363,248	353,047	307,834	302,500	150,884	213,833
Less Appropriations—						
Pref. Dividends	97,500	97,500	97,500	97,500	†19,772	......
Common Dividends	210,000	210,000	210,000	210,000	210,000	210,000
Surplus for year	55,748	45,547	334	*5,000	*78,888	3,833
Add Previous Surplus	187,675	142,129	141,796	146,796	225,664	221,831
Bal. Carried Forward	243,423	187,676	142,130	141,796	146,796	225,664

*Debit. †Represents $24,375 preferred dividends less $4,603 accrued on deferred stock payments.

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COSTS

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Is your business squeezed between Prices coming down and Costs going up? There IS a solution. You can produce quality goods at prices that give you an edge on the market yet make a good profit by transferring your plant from the high tax, high power, high wage district to the

SOUTHERN CANADA POWER
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The laboring classes in the Eastern Townships of Quebec are eager to give an honest day's work for a fair wage. No other district in the entire Dominion offers such an exceptional labor market as does the S.C.P. industrial area.

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Reliable power at reasonable price is assured in unlimited quantities. Over 60,000 h.p. are at present developed and 140,000 h.p. are available to take care of future needs of the territory served by the S.C.P.

Manufacturing sites to meet manufacturers' requirements are available at nominal prices. Several buildings, ready for occupancy, are to be had at moderate cost.

Complete and detailed information given without cost or obligation and in strictest confidence to those manufacturers desirous of checking up for themselves the economies they can realize by manufacturing in the S. C. P. Industrial Area. Just write

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DEPARTMENT

SOUTHERN POWER CANADA
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LIMITED

HEAD OFFICE
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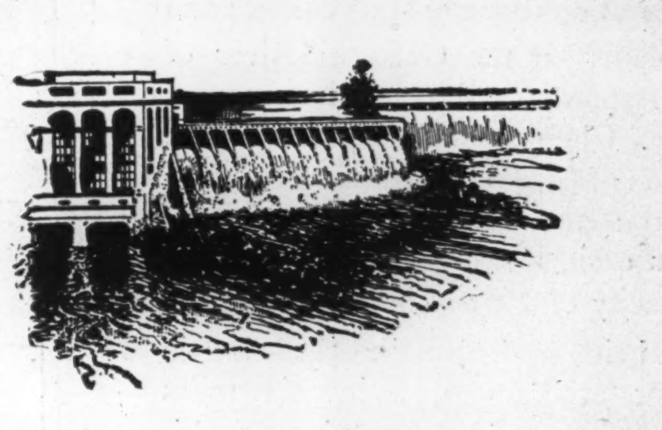

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CO-ORDINATED EFFORT TO BETTER SERVE

CANADIAN HYDRO-ELECTRIC CORPORATION
LIMITED

Controlling Gatineau Power Company, Gatineau Electric Light Company Limited, and Saint John River Power Company

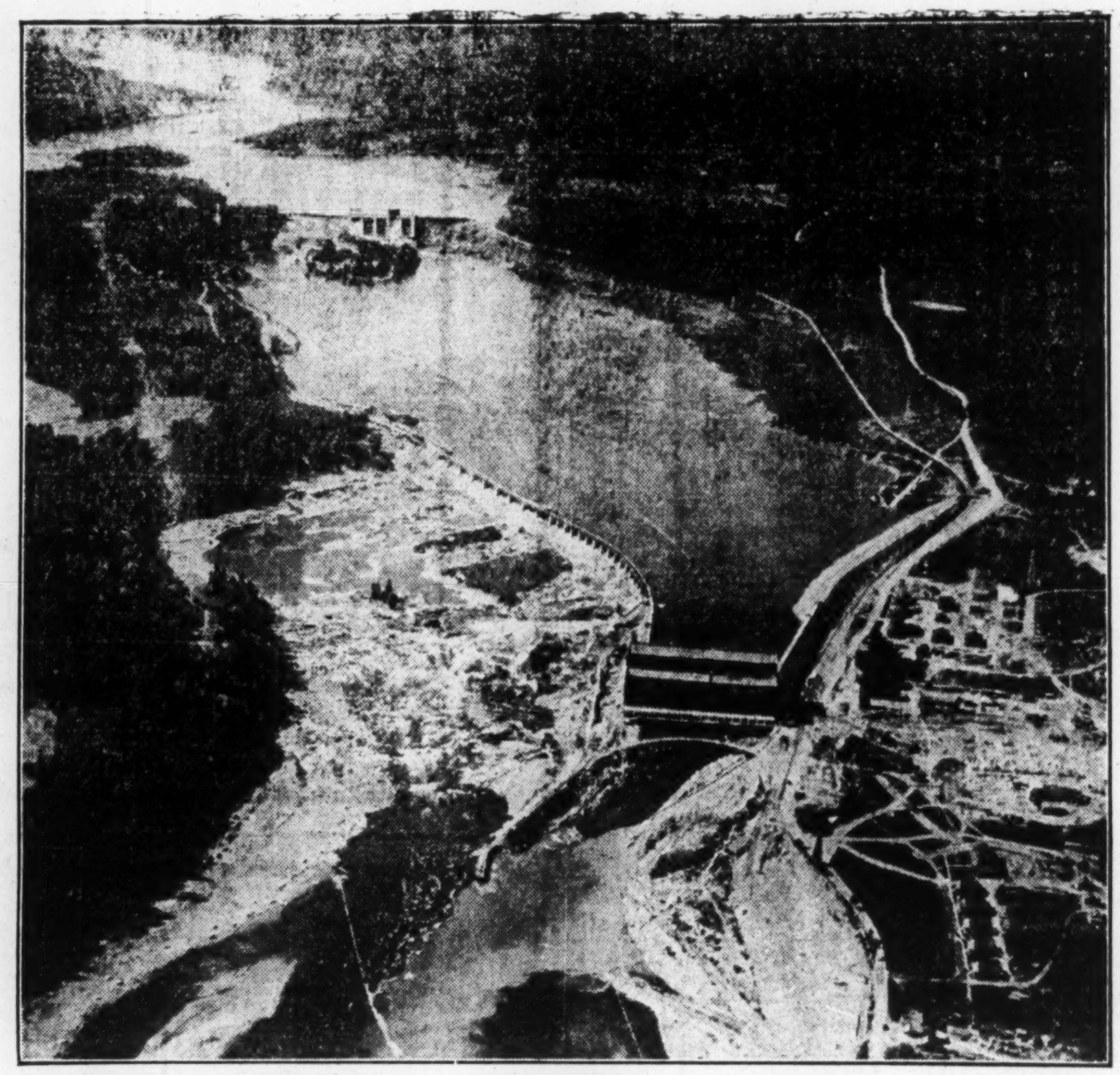
Assures the full, rapid and most capable development of the industrial districts served—to the advantage of Canada's increasing expansion of industry

CANADIAN HYDRO-ELECTRIC CORPORATION, LIMITED, a subsidiary of International Paper Company, was organized toward the close of last year to acquire and control Gatineau Power Company, Gatineau Electric Light Company, Limited, and Saint John River Power Company. This marked another step in the co-ordination of the operations of these several companies.

Canadian Hydro-Electric Corporation's control of these Companies assures that their development will go forward under a carefully co-ordinated plan. This includes the full development of the natural resources in the area served, and plant growth to meet expanding requirements. Such supervision is to the great advantage of every present and future light and hydro power user served.

Gatineau Power Company has a present installed operating capacity at its Chelsea and Farmers plants on the Gatineau River of 102,000 horsepower, and 72,000 horsepower, respectively. Chelsea powerhouse is designed for five units of 34,000 horsepower each, and the Farmers station for five units of 24,000 horsepower each, making an aggregate designed capacity of 290,000 horsepower.

Work is being pushed on the hydro-electric development at Paugan, twenty-six miles above the Chelsea and Farmers plants, and it is expected that the first generator in the plant will be in operation and delivering electric energy in June of this year. With an initial installed capacity of 204,000 horsepower and a designed capacity of 272,000 horsepower, Paugan development will be one of the largest hydro-electric plants on the North American Continent. The aggregate designed capacity of these three plants is 562,000 horsepower, and the plants are within thirty-three miles of the City of Ottawa, and within economic transmission distance of the largest market for power in the Dominion.



Farmers (foreground) and Chelsea (background) hydro-electric developments of Gatineau Power Company, a subsidiary of International Paper Company. These developments are within 7 miles of Cities of Ottawa and Hull. The Farmers plant is designed for five units of 24,000 horsepower each; the Chelsea plant is designed for 5 units of 34,000 horsepower each.

In addition, 24,000 horsepower is now being generated at the Kipawa plant of the Company on Gordon Creek, about 230 miles above the City of Ottawa. About 16,000 horsepower is being generated in the smaller hydro-electric plants of the Company in the Province of Quebec on rivers flowing into the Ottawa River from the north between Ottawa and Montreal.

Gatineau Electric Light Company, Limited, was organized in the past year as a distributor of electric power in the area lying between Ottawa and Montreal. The Company owns over 360 miles of high tension distribution lines and serves a territory of 5,000 square miles, having a population of 220,000. The area of this territory is nearly half the size of Belgium. Besides providing current for domestic and farm use, a wide variety of industrial establishments is served and the territory has many advantages to contribute to its continuing growth.

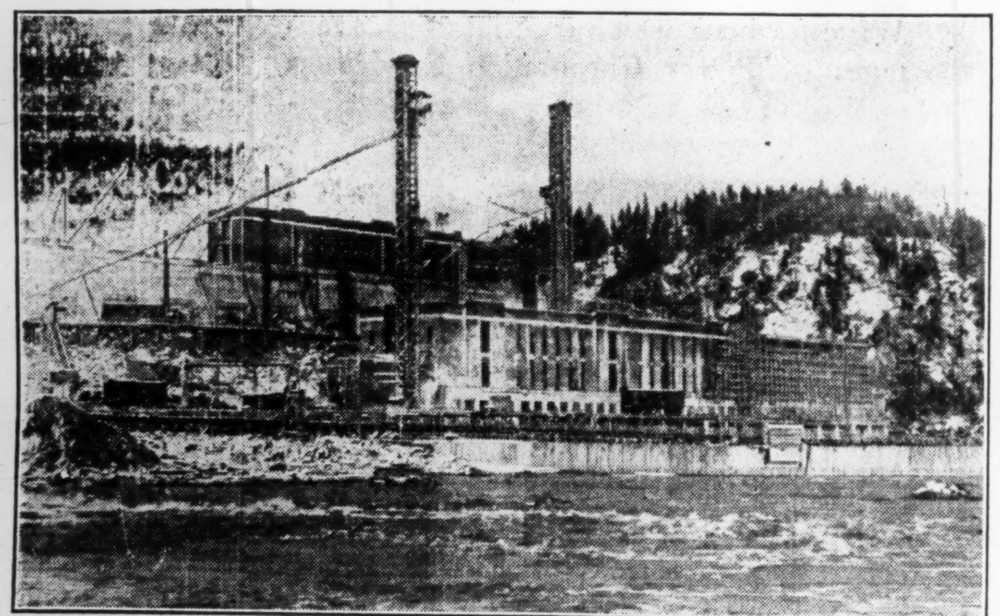
At Grand Falls, New Brunswick, construction during the year was well advanced on the hydro-electric development of Saint John River Power Company and the plant is nearing completion. It will be the largest hydro-electric development in the Maritime Provinces. Designed for an installation of 80,000 horsepower, it will have an initial installation of 60,000 horsepower in three generators of 20,000 horsepower each.

Upon completion of the present development program, Canadian Hydro-Electric Corporation will have developed water powers with a total installed capacity of over 750,000 horsepower capable of being increased through further development and through the 1 500,000 horsepower. The horsepower figures given throughout refer to the capacity of water wheels.

Summarized Facts About the Canadian Hydro-Electric Corporation, Ltd.

	Present Installed Capacity	Designed Capacity
Gatineau Power Company:		
Chelsea	102,000 h.p.	170,000 h.p.
Farmers	72,000 h.p.	120,000 h.p.
Paugan (ready this fall)	204,000 h.p.	272,000 h.p.
Kipawa	24,000 h.p.	
Other smaller plants	16,000 h.p.	

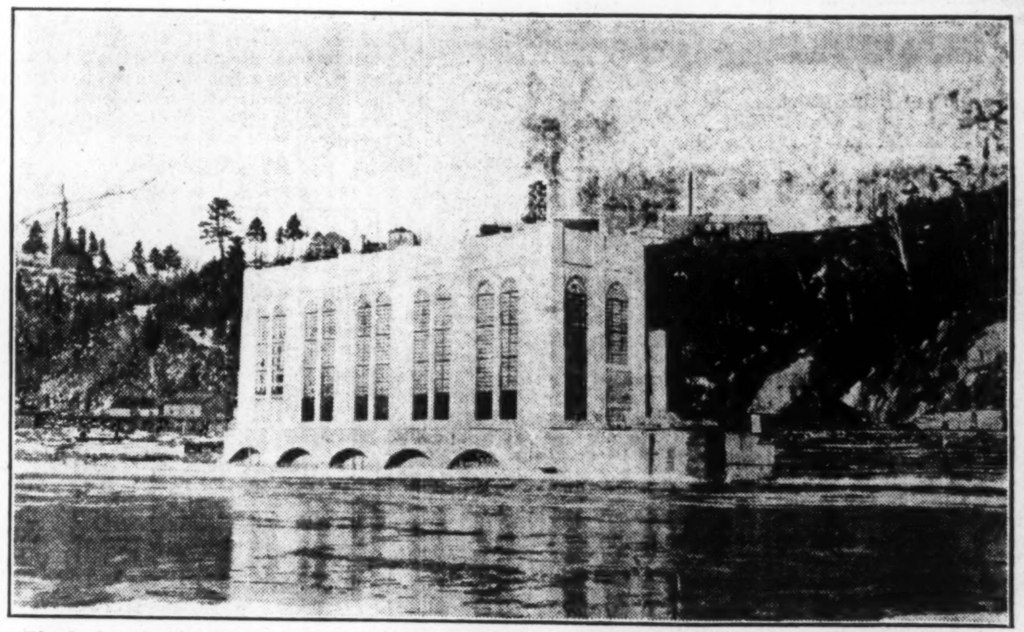
Saint John River Power Company:
Grand Falls, New Brunswick, under construction. The plant is designed for 80,000 horsepower and will have an initial installation of 60,000 horsepower.



View showing progress of the construction work on the hydro-electric development at Paugan, Quebec. The Paugan development is on the Gatineau River, 33 miles north of the Cities of Ottawa and Hull, and it is expected that the first generator in the plant will be in operation and delivering electric energy in June of this year. This will be one of the largest hydro-electric plants on the North-American continent.

The development of the natural resources of the Gatineau River and the development and co-ordination of the power facilities in the district lying between Ottawa and the Island of Montreal are destined to make this area one of the great industrial centers of North America. Abundant electric power, efficient rail and water transportation, proximity to labor centers and markets, ideal water supply and excellent drainage—these are some of the factors in this district awaiting further use by manufacturing establishments.

HEAD OFFICE, OTTAWA



The hydro-electric plant at Grand Falls, New Brunswick. Construction is well advanced on this development and the plant is nearing completion. It will be the largest hydro-electric development in the Maritime Provinces. Designed for an installation of 80,000 horsepower, the plant will have an initial installation of 60,000 horsepower in 3 generators of 20,000 horsepower each.

Shawinigan Water and Power

Situation Surrounding Company Was Never More Satisfactory Than It is Now—Has Just Completed Best Year in History

The situation surrounding the Shawinigan Water and Power Co. is probably as satisfactory now as it has ever been in the history of the organization. It has just completed the best year in its history. Gross earnings are largely increased over 1926 and the outlook for the future includes many satisfactory possibilities.

Last autumn the company increased the amount of power which it has available for distribution by 100,000 horsepower, purchased under long term contract from the Duke-Price plant. In addition, the demand for power from the company's lines has been such that it is now engaged in installing a further 60,000 horse-power unit in one of its plants at Shawinigan Falls. The new unit will be operating by the end of the year.

Shawinigan's two industrial subsidiary plants, which operate under the name of Shawinigan Chemicals, have been doing a steadily expanding business. The capacity of these plants is to be practically doubled.

Expect New Rights

With the continual expansion of the load on lines and due to the fact that the company serves the predominant industrial areas of the province of Quebec, there can be little doubt that the further financial requirements of the company will result in the issuance of valuable new stock rights to the shareholders from time to time.

Another satisfactory feature affecting the company's stock is the continued growth of the earning power of its subsidiaries. The subsidiaries which Shawinigan either owns or controls are many and varied. Its chief subsidiary in which it owns over 50 per cent. of the stock is the Quebec Power Co. Quebec Power is steadily increasing its earning capacity and is bringing in a larger revenue to the parent company. The subsidiaries of the Quebec Power, in turn, are also doing a larger business.

Jointly with the Montreal Power, Shawinigan controls the United Securities, which in turn controls the Montreal Tramways Co. and other subsidiaries. Earnings of these subsidiaries are also improving.

Shawinigan also owns a one-fifth interest in the stock of the Duke-Price Power Co. and the increasing earnings of that plant should benefit the parent company, if not at the moment then ultimately.

Capacity Near 700,000 H.P.

Shawinigan at the present time generates or purchases en bloc some 680,000 horsepower, which is retailed or sold to subsidiaries. In addition to its own plants, the company purchases large blocks of power from the Laurentide Power and the Southern Canada Power Co. The territory served stretches from Oka on the Ottawa River to Murray Bay on the Lower St. Lawrence—a distance of more than 250 miles. It serves the growing industrial area of the St. Maurice valley and its lines extend also to the southern side of the St. Lawrence and serve a portion of that section of the province. Thus, the company serves the largest and fastest growing sections of Quebec. Some of the company's subsidiaries buy and then sell Shawinigan power and others simply generate power for the parent company.

The record of Shawinigan has been one of steady expansion with earnings ploughed back into the property; it has only been within the past two or three years that the shareholders have really begun to feel the benefit of the management's conservative policy extending over many years.

Outlook for Shares Good

Thus, with the increased amount of power which the company is distributing and the various new sources of power which may be tapped in the future, the outlook for the common shares is more than excellent. The stock is in the investment class and while it sells on a low yield basis, yet the chances of appreciation are enormous, due to the industrial possibilities of Quebec.

The company owns substantial blocks of shares in Laurentide Power and in the Montreal Light, Heat and Power, Consolidated. In addition it owns a one-third interest in the Niacet Chemical Corporation, a U. S. concern, in the operations of which Shawinigan is a partner with large U. S. chemical interests.

Through stock ownership the company controls such subsidiaries as the Thetford Mines Electric, the Beauharnois Electric and the Portneuf Hydro-Electric Co. The company also owns a group of public utility companies, such as the Three Rivers Traction Co., the Continental Heat and Lighting Co., the St. Francis Water and Power Co., and the Sorel Light and Power Co.

Capitalization—

	Outstanding
Capital stock	1,200,000 shs.

No par value.

In December, 1926, the common stock of $100 par value was exchanged for new stock on a basis of four new for one old.

Funded Debt—

First mtge. and collateral trust bonds, Series "A," 4½%, due 1967, $35,000,000.

Dividend Record—

Year	Per cent	Year	Per cent
1907	2	1918	7
1908-09	4	1919	7
1910	4	1920	7
1911	5	1921	7
1912	5¼	1922	7
1913	6	1923	7
1914	6	1924	7
1915	6½	1925	7¼
1916	7	1926	8
1917	7	1927 ..	2% + $1.50

A dividend of $2 per annum is being paid on the new stock, payable quarterly, Jan., Apr., July and Oct. 1. Initial dividend of 50 cents paid Apr. 1927.

Officers and Directors—

J. E. Aldred, president; H. Murray, O.B.E., and J. C. Smith, vice-pres'ds; H. J. Fuller, Sir Lomer Gouin, M. J. Curran, Sir Herbert S. Holt, R. W. Kelley, Col. G. P. Murphy, C.M.G.; W. S. Hart, treas.; G. W. McDougall, K.C.; Beaudry Leman, Jas. Wilson, secretary.

1927 1926

Market Record—

Year	High	Low	Year	High	Low
1912	154⅝	122	1921	109½	110
1913	149	119	1922	116¾	102½
1914	142¾	111	1923	123½	112
1915	139⅞	110	1924	187½	118¼
1916	137	126⅝	1925	175	130½
1917	131	107	1926	275½	167½
1918	118½	107	1927†	94¾	67
1919	127½	114½	1928x	99	87
1920	119½	97½			

xTo Feb. 25.

†No par value stock.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING DECEMBER 31

	1927	1926	1925	1924	1923	1922
	$	$	$	$	$	$
Gross Earnings	9,362,828	7,660,207	6,702,034	5,741,079	5,110,539	4,629,642
Operating Expenses	4,430,552	3,243,140	3,001,157	2,420,528	1,939,646	1,676,580
Net Oper. Revenue	4,932,276	4,417,067	3,700,876	3,320,551	3,170,893	2,953,062
Bond Interest	1,637,493	1,459,748	1,334,537	1,274,652	1,189,333	1,155,778
Balance	3,294,782	2,957,324	2,366,339	2,045,899	1,981,560	1,797,284
Depreciation	400,000	350,000	350,000	350,000	350,000	200,000
Net Income	2,894,782	2,607,324	2,016,339	1,695,899	1,631,560	1,597,284
Dividends	2,200,000	2,050,000	1,676,250	1,400,000	1,400,000	1,400,000
Surplus	694,782	557,324	340,089	295,899	231,560	197,284
†Previous Surplus	397,067	251,535	308,157	229,070	159,253	145,593
Total	1,091,850	808,859	648,246	524,969	390,813	342,887
Reserse and Sink. Fund....	......	50,000	50,000	50,000	50,000	50,000
Fire in Res.	......	......	20,000	20,000	20,000	20,000
Pension Fund	......	......	5,000	5,000	5,000	5,000
Profit & Loss Balance.....	1,091,850	758,859	573,246	449,969	315,813	267,877

†After adjustments. In 1927 the deductions included $225,000 additional depreciation.

St. Maurice

Parent Company Makes Exchange of Shares, and Bonds Alone Remain

Subsidiary of Shawinigan Water and Power Company

Investment interest in the St. Maurice Power Co. is now confined solely to its bonds, for within recent weeks the Shawinigan Water and Power Co. purchased this subsidiary and the shareholders received Shawinigan stock or cash for their holdings. The Shawinigan Water and Power Co. can now borrow money on a 5 per cent. basis. Thus, it seems reasonable to assume that the St. Maurice Power bonds will probably be redeemed. The call price is 107½. The bonds of the company are a gilt edged investment.

Capitalization—

	Authorized	Outstanding
Stock	$8,000,000	$7,200,000
Funded Debt—		
6½% first mtge. sinking fund gold bonds due 1953	12,000,000	9,026,600
Sterling deb. stock	....	973,400

Both issues to be redeemed Aug. 1, 1928.

Officers and Directors—

Julian C. Smith, pres.; H. Murray, O.B.E., vice-pres.; J. E. Aldred, Sir Lomer Gouin, K.C.M.G.; Sir H. S. Holt, G. W. MacDougall, K.C.; J. Wilson, sec.; W. S. Hart, treas.

Dividend Record—

Dividends $4 per share per annum, payable quarterly. Initial dividend of $1 per share paid Oct., 1927.

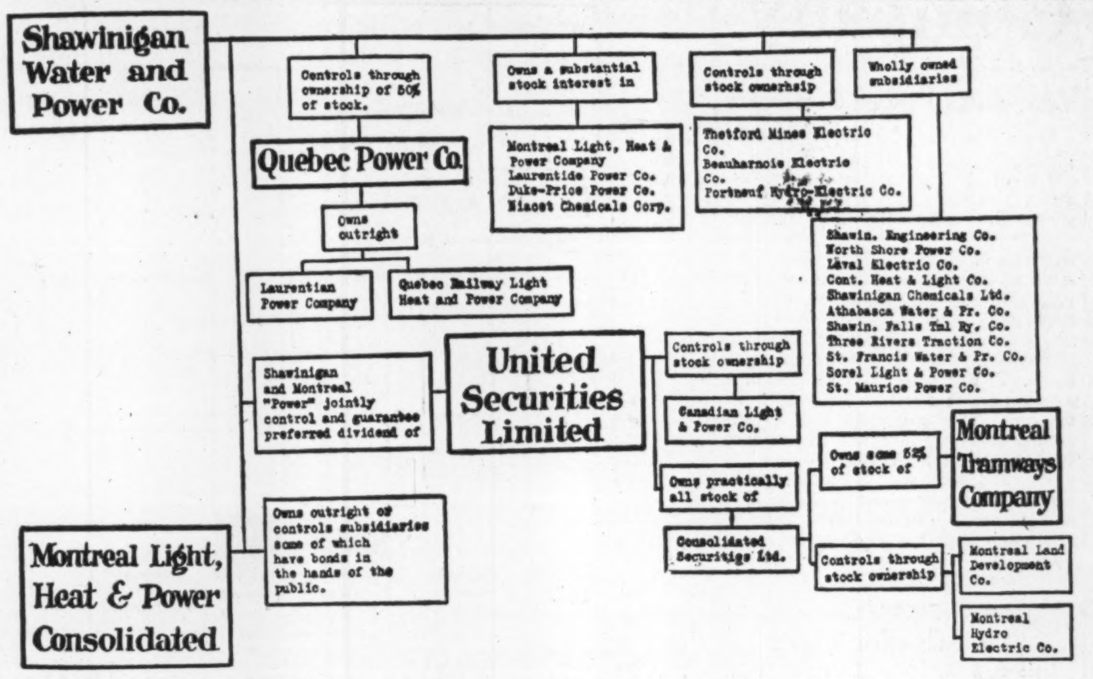
INCOME AND SURPLUS ACCOUNT
Years ending Dec. 31

	1927	1926	1925
Gross earn.	$1,263,517	$1,031,379	$807,385
Less: op. exp.	236,489	210,753	146,029
Net earn.	1,027,028	820,626	661,356
Less bond int.	650,000	650,000	650,000
Net profits	377,028	170,626	11,356
Less approp.—			
Conting. res.	219,000	170,000	11,000
Dividends	144,000	......	......
Surp. for year	14,028	626	356
Add prev. surp.	983	356	...
Bal. car. for.	15,011	982	356

Market Record—

	1927 High	1927 Low	*1928 High	*1928 Low
Stocks	175	96	194	170

* To Feb. 29.


CONNECTING LINKS BETWEEN SHAWINIGAN AND MONTREAL POWER
Shawinigan Water and Power Co.
Controls through ownership of 50% of stock.
Quebec Power Co.
Owns outright
Laurentian Power Company
Quebec Railway Light Heat and Power Company
Owns a substantial stock interest in
Montreal Light, Heat & Power Company
Laurentide Power Co.
Duke-Price Power Co.
Niacet Chemicals Corp.
Controls through stock ownership
Thetford Mines Electric Co.
Beauharnois Electric Co.
Portneuf Hydro-Electric Co.
Wholly owned subsidiaries
Shawin. Engineering Co.
North Shore Power Co.
Laval Electric Co.
Cont. Heat & Light Co.
Shawinigan Chemicals Ltd.
Athabasca Water & Pr. Co.
Shawin. Falls Tml Ry. Co.
Three Rivers Traction Co.
St. Francis Water & Pr. Co.
Sorel Light & Power Co.
St. Maurice Power Co.
Shawinigan and Montreal "Power" jointly control and guarantee preferred dividend of
United Securities Limited
Controls through stock ownership
Canadian Light & Power Co.
Owns practically all stock of
Consolidated Securities Ltd.
Owns some 52% of stock of
Montreal Tramways Company
Controls through stock ownership
Montreal Land Development Co.
Montreal Hydro Electric Co.
Montreal Light, Heat & Power Consolidated
Owns outright or controls subsidiaries some of which have bonds in the hands of the public.

Quebec Power Company

Practically Certain Company Will Shortly Become More Definitely United with Its Parent Company

Subsidiary of Shawinigan Water and Power Company

All indications point to a continuance of the Quebec Power Company's record of success over the past few years. Earnings are increasing and the completion of the new transmission line from Duke-Price Power plant to Quebec increases the amount of power available in the area served by the company. During the year just concluded, Quebec Power by purchasing other small operators and by extending its own lines has increased the territory which it serves. The Shawinigan Water and Power Co. owns more than 50 per cent. of the outstanding common stock of the Quebec Power Co. Ultimately there seems to be a certainty that the Quebec Power Co. will be absorbed by Shawinigan, either by purchase or by an exchange of shares.

The company was formed in 1923 to amalgamate the Quebec Railway, Light, Heat and Power and the Public Service Corporation of Quebec, two companies which had formerly been competitors in the city and environs of Quebec. As a result of the merger, all the utilities in the city, street railway, gas and electric light and power, have been brought under the control of one organization. The substantial increase in the company's earnings indicates the industrial growth experienced in the city of Quebec over recent years. The Quebec Railway, Light, Heat and Power is still a separate corporate entity, but the Quebec Power owns what amounts to virtually the total outstanding stock and is acquiring the complete ownership of the subsidiary. The subsidiary's bonds have been called; thus further financing to refund bonds is indicated for the Quebec Power Company.

During the past twelve months, the company has steadily augmented its assets by the acquisition of further small utilities and power companies and by the extension of its properties. The industrial development in Quebec in the past year or two will hardly be reflected to the full in the company's income accounts until the profit and loss statement for the current year's operations is presented to the shareholders early next year.

Capitalization—

	Outstanding
Common	400,000 shs.

No par value.

In Nov., 1926, the capital stock of the company was increased from $10,000,000 to $15,000,000, by the issuing of 50,000 shares of $100 par value common stock. In Feb., 1927, an additional block of 23,784 shares was offered to shareholders on the basis of three shares of new stock for each 10 shares held.

On Oct. 1, 1927, the stock was split, four new shares of no par value for each share of $100 par value stock.

The preferred stock of the company was called for redemption Jan. 1, 1927, at 110, the option being given to the holder to convert his preferred holdings into common at the same price as the call price of preferred.

Funded Debt—

First mortgage 6% bonds due 1953.	$3,540,000
Registered debenture stock, series "A"	1,460,000

Dividend Record—

Common, 4% paid in 1924; 5% paid in 1925; increased to 6% for quarter ending Sept. 30, 1926; quarterly thereafter until 1¾% paid Apr., 1927, 1¾% July, 1927, and 2% Oct., 1927. Dividend on new no par value stock, $2 per annum, payable quarterly. Initial dividend of 50 cents paid Jan. 16, 1928.

Officers and Directors—

Julian C. Smith, pres.; Howard Murray, vice-pres.; W. S. Hart, treas.; Jas. Wilson, sec.; Hon. A. Turgeon, C. H. Branchaud, J. H. Fortier, Dr. Milton, L. Hersey, Jas. M. McCarthy, Hon. P. J. Paradis, Geo. Parent, M.P., J. T. Ross, C. E. Taschereau, Hon. L. C. Webster, Hon. J. P. B. Casgrain, Hon. D. O. L'Esperance, J. E. Tanguay, gen. mgr.

Income and Surplus Account
Years End. Dec. 31.

	1927	1926	1925
Gross income	$1,572,230	$1,238,301	$1,046,943
Less:			
Oper. exp.	316,003	274,034	236,444
Interest	300,000	300,000	300,000
Depreciation	100,000	100,000	60,000
Net revenue	856,227	567,267	450,499
Less dividends	666,754	472,350	406,252
Surplus	189,472	94,917	44,225
Add prev. surp.	114,107	57,576	36,006
P. & L. bal.	$303,580	$152,493	$80,232

Market Record—

	Common High	Common Low
1923	81	60
1924	95½	64
1925	119	85
1926	200	113
1927†	88½	72
1928x	92	85

xTo Feb. 25.

†No par value stock.

Quebec Railway, Light, Heat & Power Co.
INCOME AND SURPLUS ACCOUNT
Years Ending Dec. 31

	1926	1925	1924
Gross earn.	$3,546,951	$3,243,123	$3,133,806
Less Op. exp.	2,382,945	2,194,987	2,156,492
Net earn. ..	1,154,006	1,048,136	977,314
Less Deprec.	200,000	220,000	250,000
Other exp.	....	44,665	44,248
Bond int. .	846,880	756,363	632,652
Other int.	....	15,868	35,742
Net profits	107,126	11,240	14,672
Less appropriations:			
Less approp.:			
Dividends .	100,000	....	....
Surp. for yr.	7,126	11,240	14,672
Add prev. surp.	11,933	....	492,189
Balance ..	19,059	11,240	506,861
Less adjust.	....	....	83,001
Bal. car. for.	19,059	11,240	x423,860

x Transferred to depreciation reserve.

Dividend Record—

3 per cent. paid in 1911; 1 per cent in 1912; passed until 1926 when 4 per cent. was paid.

Officers and Directors—

J. C. Smith, pres.; Howard Murray, vice-pres.; W. S. Hart, treas.; James Wilson, sec., Montreal; J. E. Tanguay, gen. mgr.

Capitalization—

	Authorized	Outstanding
Capital stock	$2,500,000	$2,500,000

(Par value $25).

The Quebec Power owns $2,228,375 of the stock.

Funded Debt—

Consolidated, 5% bonds, due 1939	$9,151,000

General mortgage bonds were called for redemption July 1, 1927, and the 5% income bonds on Sept. 1, 1927. On May 26, 1927, shareholders voted on a by-lay authorizing the creation of a general and refunding bond issue of $50,000,000.

Municipal Service

Operates a Group of Smaller Utilities in Province of Quebec

The Municipal Service Corporation was incorporated two years ago and since then has acquired small public utility properties scattered throughout Quebec. In addition, the company owns mills at Huntingdon, P. Q., where a grain and lumber business is conducted. Additional lumber limits have been acquired for this property where there is also hydraulic development which will probably be undertaken shortly.

The company owns the Amos Water and Power Company, the Ste. Therese Waterworks Company and the waterworks at Shawbridge and Ste. Adele. The company also owns the waterworks system at Val Morin. For over a year it has supplied the town of Amos with electric power.

In addition, the corporation owns a substantial interest in the Quebec Gas and Electric Corporation which was organized to supply gas to the city of Three Rivers. The assets of the old St. Lawrence Gas Company were purchased and construction work at Three Rivers is now underway. In Three Rivers there are ten miles of mains including 500 customers' services already installed. It is proposed to increase the length of these mains to some 25 miles to take care of the present and indicated gas requirements of the city.

Since its inception, the compan has made progress; it is understoo that the management has under con sideration further expansion

Capitalization—

	Authorized	Outstandi
Common	25,000 shs.	25,000 sh
(No par value).		
Pref. 7% cum.	$1,000,000	$50,0
(Par $10).		

Funded Debt—

First refunding mortgage 6% bonds, due 1956	$300,0

Dividend Record—

Preferred dividends payable semi-annuall Jan. and July 1.

Directors—

Senator N. A. Belcourt, W. K. Baldwi R. W. Truax, O. Lefebvre, Hon. L. A David, H. B. Fisk, J. B. Rose, J. E. Thib deau, F. B. Brown, consulting engineer.

A Great Public Service

"Do It With Gas the Ideal Fuel"

is the slogan of **The Union Natural Gas Company of Canada, Limited,** and its subsidiary companies, addressed to an ever increasing market in the Border Cities, Chatham, Sarnia, Wallaceburg, Petrolia, and the Counties of Essex, Kent and Lambton.

Now serving 26,000 homes in these communities, we look for still larger demands for this ideal fuel, and are making adequate preparation by means of large extensions and improvements to our Production, Transmission and Distribution Systems, so that a constant and uniform service may be maintained.

THE
Union Natural Gas Company
of Canada, Limited
Head Office—Chatham, Ontario

Manitoba Power Company, Limited

THE central location of Winnipeg makes it attractive to industries. Abundant, low-cost power adds to this inducement.

The Manitoba Power Company, Limited, will this year complete its 168,000 H.P. development on the Winnipeg River.

The Manitoba Power Company, Limited, is keeping pace with the great expansion of industries now taking place in Manitoba. Its latest development is in accord with its policy of building for the power needs of the future.

EXPANSION BUILT ON CONFIDENCE

The New Headquarters Building
Beaver Hall Hill — Montreal

It is expected that the new building will be ready for occupancy in the Spring of 1929.

Our present headquarters building on Notre Dame Street, Montreal, was erected over thirty years ago.

During these thirty years your Company has made great progress, as the following figures show:

	1897	1927
Telephones ..	30,400	668,000
Total Assets.	$5,540,000	$135,000,000
Employees ..	1,800	15,000

Telephones Increased 22 Times
Total Assets Increased 24 Times
Employees Increased 8 Times

IT IS a significant fact that the expansion of the Bell Telephone Company of Canada has been, and is, dependent on investment confidence.

It is obvious that the continuous necessary expansion for improved and wider service must be met by increasing capital outlay with an assurance of steady and adequate return to the investor. This principle is clearly stated in our recent Annual Report, as follows:

"Earnings must be sufficient to assure the best possible telephone service at all times and to assure the continued financial integrity of the business. Earnings that are less than adequate must result in telephone service that is something less than the best possible. Earnings in excess of these requirements must either be spent for the enlargement and improvement of the service furnished or the rates charged for the service must be reduced. This is fundamental in the policy of the management."

The record of the Bell Telephone Company of Canada is a reasonable assurance of the company's continued growth and of the successful carrying out of those far-seeing plans which will meet expansion needs.

Investors may view the future of the Bell Telephone Company with confidence—confidence based upon the value of the service to the users which is far in excess of its cost to them, and upon that adequate and improving service which assures public goodwill.

The Bell Telephone Company of Canada

Producers of Power-Creators of Confidence

The Farmers Station of the Gatineau Power Co. where two 25,000 kv-a and one 22,500 kv-a C.G.E. Generators are installed.

Abundant water power and Canadian General Electric equipment have contributed largely to Canadian electrical development.

Manufacturing facilities of vast proportions, specially trained engineers and thirty-six years' manufacturing experience stand behind all equipment supplied by the Canadian General Electric Co., Ltd., to the electrical industry.

CANADIAN GENERAL ELECTRIC Co. Limited
HEAD OFFICE TORONTO, SALES OFFICES IN ALL PRINCIPAL CITIES

International Power Company

Has Had Rapid Growth of Earnings, and 1927 Showed Material Advance Upon Previous Year — Wide Diversity in Profit Sources

The International Power Co. has made a rapid growth both in earnings and in assets since its inception just about two years ago. Net earnings of the company for 1927 show a material increase as compared with the previous year.

The company, through common stock ownership and in some instances through the ownership of the funded debt, controls and operates a large group of public utilities operating in North, Central and Southern America. Each of the companies which International Power controls has shown satisfactory progress during the past twelve months. The common shares of the company look like an interesting long hold for each of the countries in which International Power is interested produces different basic products. Hence, any decline in earnings in any one field of the company's investments should be offset by increases elsewhere. The diversification of the International Power Co.'s investments makes for a greater stability of earning power, coupled with a greater security in its assets. Moreover, in most of the fields in which the subsidiaries operate, hydro-electric development is but in its infancy and there exists great potentialities for further development.

In order to obtain a picture of the position of International Power, it is necessary to review separately its various subsidiaries, for the assets of the parent company consist only of securities in its component companies.

During the year just ended the International Power has secured virtually all the common shares of the Newfoundland Light and Power Co. But in this subsidiary and also in Porto Rico Railways there still exists an independent investment interest due to the outstanding bonds and shares of both companies. These two companies, which are both making satisfactory progress, are therefore reviewed elsewhere in this issue.

Controls Many Utilities

The International Power Company controls through common stock ownership, the Porto Rico Railways Co., Newfoundland Light and Power Co., Bolivian Power Co., Electric Light and Power Company of Oruro, Demerara Electric Co., and the San Salvador Electric Light Co. It owns the Venezuela Power Co., completely and also a majority of the bonds of the Demerara Electric Co.

Each of the companies in which it is interested has shown satisfactory progress during the past year. The installation of new plant and equipment, notably by the Venezuela Power Co. and the Newfoundland Light and Power Co., together with the centralization of administration and purchasing departments, has made for more efficient and economical operation. All these factors have resulted in bettered earnings.

Capitalization—

	Authorized	Outstanding
Common .... (No par value)	150,000 shs.	100,000 shs.
1st pref. 7%	$8,000,000	$5,000,000
2nd pref. 6%	2,000,000	2,000,000

Funded Debt—
Gold debentures, 6½%, due 1957, $3,000,000.

Dividend Record—
Preferred dividends payable quarterly, Jan., Apr., July and Oct. 1. Initial payment on preferred of $2.33 1-3 covering 4 months ended June 30, 1926, was paid July 2, 1926; 1¾% paid Oct. 1, 1926, and at same rate quarterly since.

Officers and Directors—
I. W. Killam, pres.; G. MacGregor Mitchell, V. E. Mitchell, K.C.; W. C. Pitfield, J. H. Price, W. D. Ross, O. E. Smith, F. R. Taylor, R. D. Bell, C. H. Chase, L. M. Wood, F. H. Clarke, sec.-treas.

Comparative Earnings for Nine Months Ending September 30

		2927	1926
Gross earnings		$3,039,713	$2,699,074
Operating expense ...		1,702,295	1,631,842
Net earnings		$1,337,418	$1,067,232
Less: Int. chgs., and pref. stock div.		398,990	
Bal. for res. and divds. on common		$938,428	
Less proportion minority interests		162,632	
Amount applicable to Int. Power holdings		$775,796	
Less: Int. on 6½% deb. ..	$99,682		
Divds. on 7% 1st pref. ..	262,500		
		362,182	
Balance		$413,614	

Market Record—

	1927 High	1927 Low	x1928 High	x1928 Low
Common	50	14½	43¼	37
Preferred	98	85	100	97

xTo February 29.

Newfoundland Light

Company Now Serves 6,300 Power Customers Around St John's

Subsidiary of International Power Company

During the year just ended, the Newfoundland Light and Power Co. increased its light and power substantially. It now serves 6,300 light and power customers. The company and its predecessor for over twenty-eight years have successfully operated the electric lighting and power business and the street railway system in St. John's, the capital and chief commercial centre of Newfoundland. The population of the city is 38,000. The franchise provides for perpetual operation of these utilities, subject only to the right of the city to purchase the undertaking as a going concern after 1946.

Increase Power Capacity

In 1926 the company increased the capacity of its hydro-electric power plant from 4,000 horsepower to 7,000 horsepower. The company has other powers which will provide an additional capacity as required for many years to come.

Due to the greater development of the natural resources of Newfoundland over the past year or two, there has been some business expansion in the Dominion—an expansion in which the Newfoundland Light and Power Co. has benefited and which will still continue to benefit the company. Virtually all of the common stock is owned by the International Power Company.

Capitalization —

	Authorized	Outstanding
Common	$2,000,000	$1,500,000

Stock control is held by International Power.

6½% 1st mortg. bonds, Series "A" due 1949	$1,386,000
7% mortgage debentures, due 1949	500,000

An additional $500,000 of mortgage debentures held in the treasury may be issued for the general purposes of the company.

Dividend Record—
Initial common dividend of 2% paid Dec. 30, 1926.

Directors—
J. W. Killan, W. C. Pitfield, Montreal; Sir Marmaduke Winter, C. A. C. Bruce, Major L. C. Outerbridge, C. E. Hunt, St. John's; W. B. Milner, Toronto.

Years Ended June 30.
Gross Earnings

1916	$184,122	1922	$328,044
1917	200,974	1923	323,430
1918	234,804	1924	352,329
1919	265,465	1925	364,851
1920	317,771	1926	414,513
1921	323,454		

Porto Rico Rails

Wide, Untapped Market for Service Exists on Island It Serves

Subsidiary of International Power Company

About a year ago, virtually all the common shares of the Porto Rico Railways were acquired by the International Power Co., hence the Porto Rico Railways preferred is now an underlying obligation of the parent organization which controls public utility enterprises in North, Central and South America.

The preferred shares appear to be a fair investment in their class and given stable business conditions in Porto Rico the company should increase its earnings in future. There is a wide market as yet untapped by the company's services in that country.

The Porto Rico Railways Co. through its subsidiaries, the Porto Rico Railway Light and Power Co., and the Porto Rico Construction Co., controls the entire street railroad and lighting systems of San Juan, San Turce and Rio Piedras and the lighting system of the eastern part of the Island of Porto Rico. It also operates a steam railroad some 18 miles long connecting Rio Piedras with Caguas.

Investigate New Sites

The company operates two hydro-electric plants at Comerio with combined capacity of 8,000 h.p. and an auxiliary steam plant at San Juan. Its number of light and power customers now total 35,000. A new general office building which was urgently needed, has just been completed and forms a valuable addition to the company's assets. It is understood that the company is investigating additional water power sites and the possibilities their development would afford in meeting the increasing demand for light and power. Franchises for a further 2.200 h.p. development have recently been acquired. The new plant will be completed in 1929. The company serves a population of 468,000 and the demand for its services is growing.

Capitalization—

	Authorized	Outstanding
Common	$3,000,000	$3,000,000
Preferred 7% .... (Par $100)	1,000,000	1,000,000
Funded Debt—		
First mortgage, 5%, due 1936	3,000,000	2,141,500
Refund, general, mortgage, 5%, due 1962	£1,500,000	$1,289,666

Officers and Directors—
Hon. W. D. Ross, chairman; C. C. Giles, pres. and gen. mgr.; L. M. Wood, vice-pres.; S. J. Moore, Hon. W. B. Ross, K.C., A. E. Ames, C. J. Holman, K.C., James Ryrie, V. M. Drury, Hon. Ramon Valdes, W. H. Chase, G. Brewer, comptroller; T. A. Spoor, secretary, Toronto.

Dividend Record—

Year	Pref.	Com.
1910	7%	..
1911	7	1%
1912	7	4
1913	7	4
1914	7	2
1915	7	..
1916	7	..
1917	7	..
1918	7	..
1919	7	..
1920	7	3
1921	7	4
1922	7	1
1923	7	..
1924	7	..
1925	7	..
1926	7	1
1927	7	3

Market Record—

	Common High	Common Low	Preferred High	Preferred Low
1912	84½	70	..	..
1913	72½	50	..	..
1914	71	45	102½	101
1915	46	46	..	..
1916	49	32½	95	90
1917	42	25	80	80
1918	29	25¼	..	..
1919	35	23	..	..
1920	50	28½	79	60
1921	46	35	81	64
1922	30	25	82	70
1923	30	15	81	67
1924	38	17	87	66
1925	46⅝	35¼	91¼	84
1926	56	40	94⅛	85½
1927	70⅝	59	100	90
1928x	..	..	100⅛	98½

xTo Feb. 25.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING DECEMBER 31

	1926 $	1925 $	1924 $	1923 $	1922 $	1921 $
Net Earnings*	426,026	371,710	404,388	333,354	366,839	365,715
Other Income	9,938	12,251	16,484	13,967	13,905	42,877
	435,964	383,961	420,872	347,321	380,744	408,592
Less: Bond Interest	174,329	177,529	180,600	183,504	186,275	188,920
Income Tax	20,000	8,000	27,000	......	......	......
Office Site Res.	......	25,000	......	......	......	......
Contingent Res.	......	......	75,000	......	......	......
Reservoir Res.	......	......	28,000	......	......	12,000
Net Profits	241,635	173,432	110,272	163,817	194,469	207,672
Less Appropriations—						
Pref. Dividends	70,000	70,000	70,000	70,000	70,000	70,000
Common Dividends	30,000	......	......	......	......	120,000
Surplus for year	141,635	103,432	40,272	93,817	124,469	17,672
Add Previous Surplus	†783,936	691,494	651,222	557,405	432,936	415,264
Bal. Carried Forward	925,571	794,926	691,494	651,222	557,405	432,936

*After depreciation.
†Adjusted.

Venezuela Power Company

The Venezeula Power Company furnishes light and power to the cities of Maracaibo and Barquisimeto, Venezeula. The Company serves approximately 8,000 customers. During the year, it installed a new steam plant at Maracaibo. This is an oil burning steam turbine plant with two electric generators of 1875 k.v.a. each. The plant is a most modern one and has been designed to effect economies in the cost of operation. It has also been so designed as to permit further expansion as desired. The company has experienced a steady increase in business and the growth of the demand for power has been such that the capacity of the steam plant at Maracaibo is now being doubled. It will be in operation within a week or two. The population served by this subsidiary is in excess of 150,000.

San Salvador Light

The San Salvador Electric Light Company operates light and power services in San Salvador and 16 adjoining municipalities in the Republic of Salvador. The company serves some 7,350 customers and its power plant is working at capacity. Power is generated by the means of two hydro electric developments with a combined capacity of 3,300 h.p. Increasing demands for power have necessitated the company investigating the possibility of additional power sites.

Demerara Electric

Demerara Electric Company acquired a 50 year franchise covering the electric lighting, power and tramway service for Georgetown, British Guiana, during the past year, and also secured a contract for the supply of power for the new civic water and sewerage systems. Construction of a new steam turbine plant to be completed next September is now under way. The company's customers have increased and now total 3,700.

Bolivian Power

The Bolivian Power Company operates the electric light, tramway and telephone services of La Paz, the chief city of Bolivia. It operates a 3,000 h.p. hydro electric plant, and equipment has been purchased for the immediate installation of an additional unit of 2,000 h.p. The number of light and power customers served by the company exceeds 9,100.

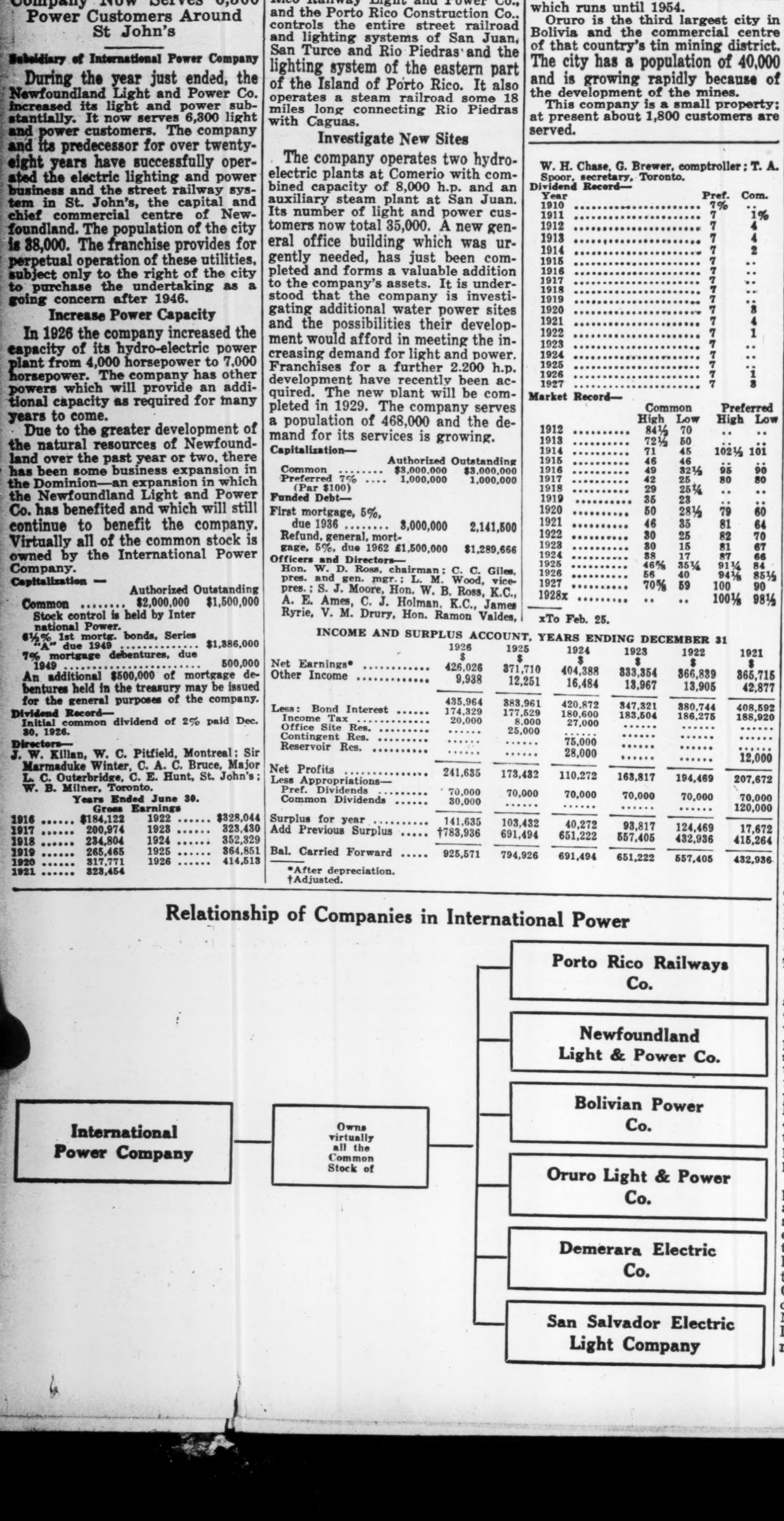
Electric Light & Power of Oruro

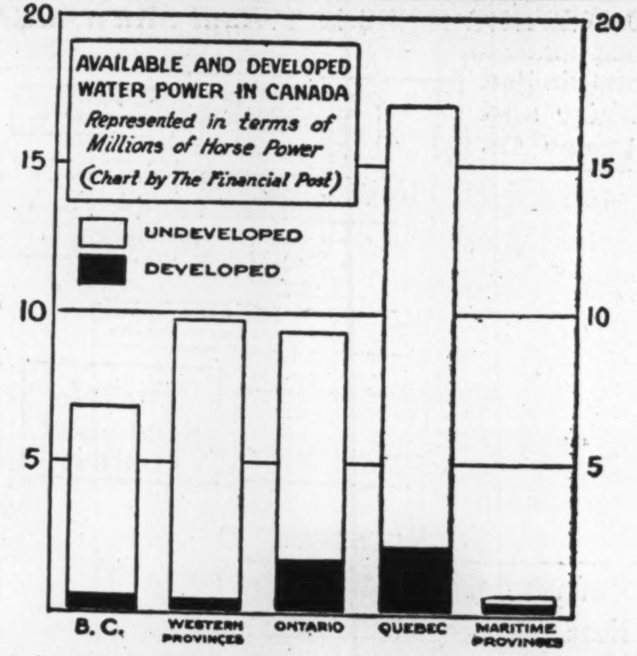
During the past year International Power secured control of the majority stock interest in the Electric Light and Power Co. of Oruro. This company supplies the electric light and power needs of Oruro, and operates under an exclusive franchise which runs until 1954.

Oruro is the third largest city in Bolivia and the commercial centre of that country's tin mining district. The city has a population of 40,000 and is growing rapidly because of the development of the mines.

This company is a small property; at present about 1,800 customers are served.

Relationship of Companies in International Power


International Power Company
Owns virtually all the Common Stock of
Porto Rico Railways Co.
Newfoundland Light & Power Co.
Bolivian Power Co.
Oruro Light & Power Co.
Demerara Electric Co.
San Salvador Electric Light Company



At the end of 1927, Canada had an actual turbine installation of 4,777,900 horsepower. By provincial groups, this is represented on the chart by the darkened squares. The larger and blank areas represent the actual available installation potentialities of the Dominion, amounting in all to some 43,000,000 horsepower. Thus Canada has a present installation amounting to little more than 11 per cent of her recorded potentialities.

POWER RATES HINGE ON MANY FACTORS

(Continued from page 31)

times a year, but the utilities have only one turnover in four or five years at the earliest. In the ordinary competitive business a considerable portion of the money is invested in inventories which are sold rapidly and the money thus obtained is used to purchase more stock. With utilities the money invested goes into equipment, including generating plants, transmission lines and conduits.

The cost of such equipment is at least four or five times as much as the gross yearly income of the company from the sale of electricity and when competing plants are installed to serve the same territory, the already large overhead is increased, and at the same time, there is no possibility of obtaining an increased use of the power. Thus, the business will be split between two companies, making a gross yearly revenue each of only an eighth or one-tenth of the amount invested instead of one-fourth or one-fifth as at present.

Is Ridiculous Situation

Two power companies serving the same territory create what amounts to a ridiculous situation, for there are two power plants, two transformers, two lines, two meters and, in fact, two of everything where one would serve the same purpose. The demand for power remains the same, yet about 85 per cent. of the cost of power goes in fixed charges to pay for the original capital investment in plant and in lines, and distribution of one sort or another.

Perhaps some investors rather stumble when reading reports of power companies they come across such terms as kilowatts, kilowatt hours, K.V.A.'s horsepower and so on. One watt is a measurement of electric power and is the product of multiplying the voltage by the amperage. Voltage is the pressure at which the power travels on the lines and the ampere is the unit of volume measurement. Thus, a line carrying one ampere at one volt is supplying one watt of electric power. A kilowatt is simply 1,000 watts.

And Then Horsepower

Now, horsepower. Power sold in small lots is usually charged for in kilowatt hours, that is, the number of hours for which one kilowatt is used. When it is sold in larger quantities it is sometimes sold in horsepower years, only the word years is usually omitted, for when a manufacturer buys a large block of power, the amount supplied is usually constant, week in and week out, whether it is used or not. In this way a cheaper rate is obtainable. One horsepower is the equivalent of 746 watts, or putting it the other way about, one kilowatt is approximately equal to one and a third horsepower. K.w.h. is simply the short form of writing kilowatt hours.

There is another stumbling block and that is k.v.a. This is kilovolt (amperes), and amounts, to all intents and purposes, to kilowatts. The only difference is that a kilowatt represents the actual power, whereas the kilovolt ampere is the measurement of the amount of electricity put on the lines. At times, due to a technicality known as the power factor, the kilovolt amperes exceed the actual power obtained from the lines.

"STUPENDOUS" IS WORD TO DESCRIBE GROWTH IN POWER

(Continued from page 31)

this industrial age naturally carries in its train an increasing demand for power. Then, too, the electric-chemical and electro-metallurgical industries are continuing to grow and continue to furnish a market for more and more power. Every scientific advance in an industrial way seems to open a wider and wider market for power. Scientists find means of making silk from wood or cotton and so another industry grows up in which power is of importance. Ever since the inception of the hydro electric industry, the demand for power has come from sources which most certainly were not apparent before cheap water power was made available by the erection of these plants.

May Reach 43,000,000 H.P.

Applying these estimates to the average machine installation in Canada it is found that on the whole, present installations are 30 per cent. greater than the ordinary six months flow. This indicates that the present recorded water power resources of the Dominion would permit a turbine installation of at least 43,000,000 horsepower. In other words the present installation represents only a little over 11 per cent. of our recorded water power resources.

Analysing the developments of the past year, Quebec has as usual led all other provinces in its annual installation. More than half the new equipment installed can be credited to Quebec province, this being largely due to the continued activity of the Gatineau Power Company at its Chelsea and Farmer's plants. Other contributing companies were the North Shore Power Company, the Donnacona Paper Company, and the municipality of Coaticook.

In the province of Manitoba the outstanding achievement of the year was the completion of the fourth unit of 28,000 horsepower which was installed at the Great Falls plant of the Manitoba Power Company. Ontario's total was swelled by the installation of two plants on the Seine river by the Backus Brooks interest. Smaller additions were also made in the plants of the municipalities of Streetsville, and Smiths Falls and of the Gananoque Electric and Water Supply Company. British Columbia total was largely due to the completion of the Burrard Power Company's Alouette Plant.

In the Maritimes the only development of any size was a 5,000 horsepower unit in the Nova Scotia Power Company's Sandy Lake stage of its St. Margaret development. The Bridgetown Electric Company also added a small amount of horsepower to its plant and there was a minor installation in Prince Edward Island.

Five Hundred Per 1,000 People

The three main sub-divisions under which the uses of power may be classed are first, central electric stations which comprise 81.7 per cent. of the total installation, and apply to the general distribution of power for domestic, municipal, commercial, lighting and power purposes; secondly pulp and paper mills which use 11 per cent. of the total installation directly, and which in addition purchase more than half their power requirements from central electric stations; finally the remaining power is used for other industrial uses, such as driving saw, grist and grinding mills, machine shops and so forth.

It is interesting to note that hydraulic installation in Canada has now reached the high figure of 502 horsepower per 1,000 of population, and four of the provinces exceed this average figure.

The fact that practically 82 per cent. of the total installation is in central electric stations, is due to the extensive economic radius of modern electric transmission. This percentage is steadily rising and at the present time there are 308 hydro electric central stations of which 218 are owned by commercial organizations and the remainder by municipal and other public institutions. The pulp and paper industry itself uses something like 25 per cent. of the total power installation of Canada, and more than half of this is purchased from central electric stations rather than developed by these companies themselves.

Now $875,000,000 Invested

Turning to the amount of capital invested in this great industry it is estimated that $875,000,000 has been spent in water power development, which is more than for any other single manufacturing industry. In the past 17 years this means an increase of something like 600 per cent. and includes the cost of the primary auxiliary power plants, transmission and distribution systems with land, machinery and equipment. Applying this to the existing installation it amounts to an average of $183 per horsepower and in view of the present record of steady earning power this capitalization appears reasonable and one which the industry is well able to carry.

An interesting sidelight on the development of Canadian water power has been its effect in reducing the consumption of coal. Although this is very difficult to estimate it is understood that for each installed horsepower a saving of coal of six tons per annum is capable of being effected. This means that the total present water power installation is capable of effecting a saving of about 28,500,000 tons of coal per annum.

With new uses for electricity constantly appearing there is every reason for believing that hydraulic development will continue its rapid rate of growth. There are as yet no signs of saturation and among some of the many new uses may be mentioned railway electrification, the application of electric-heat to manufacturing processes, the more extensive use of electric boilers for process steam, commercial and domestic electric refrigeration, and a wider and wider application of electric current in the various domestic activities of Canadian home life.

AVAILABLE AND DEVELOPED WATER POWER IN CANADA
As at January 1, 1928

	Available 24-hour power at 80% efficiency: At Ordinary Minimum Flow H.P.	Available 24-hour power at 80% efficiency: At Ordinary Six Months Flow H.P.	Turbine Installation H.P.
British Columbia	1,931,000	5,103,500	473,142
Alberta	390,000	1,049,500	34,107
Saskatchewan	542,000	1,082,000	35
Manitoba	3,309,000	5,344,500	255,125
Ontario	5,330,000	6,940,000	1,816,908
Quebec	8,459,000	13,064,000	2,064,723
New Brunswick	87,000	120,800	47,231
Nova Scotia	20,800	128,300	71,017
Prince Edward Island	3,000	5,300	2,434
Yukon and North West Territories	125,200	275,300	13,199
Canada	20,197,000	33,113,200	4,777,921

Available power figures may be regarded as extremely conservative estimates. In addition, the turbine installation figures are 30 per cent. greater than the corresponding maximum available power figures.

Canada
A Dominion of Prosperity

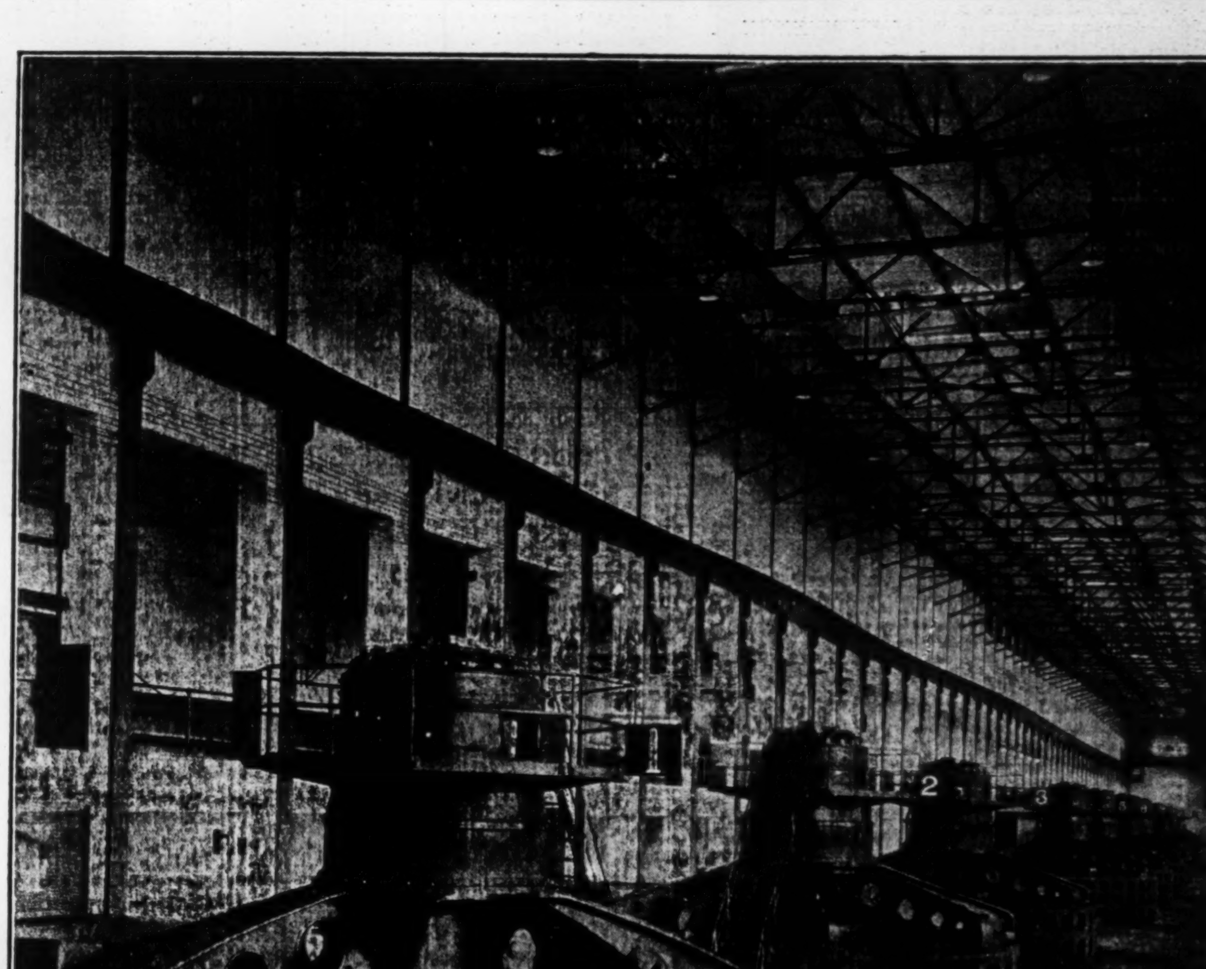
THE INDUSTRIAL LIFE OF CANADA which has been enlarging with ever increasing rapidity during recent years is enjoying an era of economically sound prosperity.

ITS MINES, ITS FACTORIES AND ITS vast industrial plants are actively engaged in adding to the nation's wealth and progress. Stretching across the North American Continent, the enterprises of Canada are as great as the territory it occupies.

International Utilities Corporation through its Canadian subsidiaries, Northwestern Utilities, Ltd., Canadian Western Natural Gas, Light, Heat & Power Company, Ltd., and Nanaimo Electric Light, Power & Heating Company, Ltd., is participating in and contributing to the industrial prosperity of Canada. These organizations serve power, light, heat and Natural Gas to some of the most important industrial and traffic centers of Western Canada.

All Issues of this Corporation
BOUGHT - SOLD - QUOTED

CHANDLER & COMPANY
INCORPORATED
120 Broadway, New York



Ten 30,000 KVA Canadian Westinghouse Generators installed in the Duke-Price Power Plant, Isle Maligne, Quebec. The power will be chiefly absorbed by the pulp and paper companies operating in the district.

Westinghouse
Power for the Pulp and Paper Industry

Montreal Light Heat and Power

Despite Low Yield of Shares, Common Stock Ranks as One of Continent's Leading Investments in Public Utility Field

Like any other stock, the shares of Montreal Power have their drawback, such as the low yield of the stock. But Montreal Power shares remain, and as far as can be seen, will continue to remain one of the most attractive public utility investment stocks on this continent. The 1927 annual report of the company revealed for the first time the effect of the reconstruction in the capitalization at the close of 1926. From the 1927 figures it appears that during the current year dividends will be earned more than twice over despite the largely increased fixed charges of the bond issue put out at the close of 1926.

From time to time the company will probably continue to decrease power rates. This has been the policy of the management in the past. But the growth of the city of Montreal and the increased demand for power should more than offset any reduction which the company makes in power rates in the future. The public utilities in Quebec have long demanded a reduction in their income tax, as Quebec power companies are handicapped in competition with the publicly owned hydro system in Ontario, which pays no income tax. Montreal Power last year paid out more than 17 per cent. of its net income in taxes.

Could Meet Depression

The management of the company is able, constructive and efficient and has built up an organization decidedly more than capable of going through either a prolonged or a short business depression.

Montreal Power carries its fixed assets on its books in the form of investments in subsidiary companies. The earning power and balance sheets of these subsidiaries are not made public. Hence, from the Montreal Power balance sheet it is impossible to obtain a complete picture of its position. Nevertheless, there is every reason to presume that all the subsidiaries, like the parent company, occupy a strong financial position and have written off large sums each year for depreciation and other reserves.

Montreal Power jointly with the Shawinigan Water & Power Co. controls the common stock of the United Securities Co., a holding company which, in turn, controls Montreal Tramways. Another subsidiary is the Montreal Coke and Manufacturing Co., which goes into operation about the middle of this year. This subsidiary is owned jointly by Montreal Power and the Koppers Co. It will produce a high grade coke, which has been found suitable for domestic fuel. Montreal Power will absorb the gas production of the plant and retail it through its mains. There is a separate investment interest, though, in the bond issue of this subsidiary. Both of these subsidiaries are reviewed elsewhere in this issue.

Long, Magnificent Record

The shares of Montreal Power have had a magnificient record stretching over a period of many years. The territory served comprises the island of Montreal, where there is a population in excess of 1,000,000 to be supplied with electricity and with gas. The present requirements of the island amount to about 300,000 horsepower, but the resources of the company can provide 500,000 horsepower; thus it is in a satisfactory position to meet the expanding power demand in its territory. Montreal Power itself produces 290,000 horsepower and the balance is purchased under favorable long term contracts with the Shawinigan Water and Power Co. or its subsidiaries.

Capacity of Plants

The power production of Montreal "Power" is as follows:

Cedar Rapids, 220,000 horsepower.
Soulanges, 15,000 horsepower.
Chambly, 15,000 horsepower.
Lachine, 15,000 horsepower.
Ville La Salle, 25,000 horsepower.

The last station is operated by steam and is used as a reserve station. The company's efficient gas plant can produce 7,000,000,000 cubic feet of gas per annum, which compares with the demand in its territory of something under 5,000,000,000 cubic feet of gas.

The history of the company has been one of constant expansion—a factor of no mean importance when viewed from a market angle.

Customer-Ownership

The company maintains excellent relations with its employees, and it has distributed in a customer-ownership campaign shares to a large number of its customers in Montreal.

The future of the company depends upon the demand for power from the island of Montreal. Due to the strategic location of the city, Montreal seems always destined to remain the metropolis of Canada, and, in the future, as in the past, its growth will probably be greater proportionally than that of the Dominion as a whole. Thus, the outlook for the stock seems to be more than satisfactory. There can be no doubt that earnings are and will continue to increase.

Capitalization—

	Authorized	Outstanding
Common	2,558,163 shs.	2,041,837 shs.

No par value.

In July, 1926, each share of $100 par value common stock was exchanged for 3 new shares of no par value common and one new share of 6 per cent. redeemable preferred stock of $50 par value. On Nov. 1, 1926, the preferred stock was redeemed at $50 per share.

Officers and Directors—

Sir Herbert S. Holt, pres.; J. S. Norris, vice-pres.; J. E. Aldred, Sir H. Montagu Allan, C.V.O., George Caverhill, Julian C. Smith, B. Macaulay, G. H. Montgomery, K.C., Hon. N. Perodeau, Hon. H. B. Rainville, Sir Lomer Gouin, K.C., J. W. McConnell, C. S. Bagg, sec.-treas., G. R. Whatley, asst. sec.-treas.

Dividend Record—

An old stock of $100 par value, initial dividend of 1 per cent. paid Nov., 1916, and quarterly to Aug., 1919, when rate was increased to 1¼ per cent. quarterly; increased to 1½ per cent. quarterly, Feb., 1924; increased to 2 per cent. quarterly, May, 1925, and paid quarterly to Aug. 15, 1926.

On new no par value, $2 per annum payable quarterly, Feb., May, Aug. and Nov. 15. Initial dividend paid Nov. 15, 1926.

Funded Debt—

Montreal L. H. & Pr., 5% 1st refund, and Coll. Trust gold bonds, series "A", due 1951	$29,780,000
Montreal L. H. & Pr., Lachine, 5% sink. fund, due 1933	3,216,000
Cedar Rapids Mfg., 5%, 1st mtge., due 1953	14,407,900
Provincial L. H. & Pr., 5%, 1st mtge., due 1946	1,120,000
Montreal L. H. & Pr., 4½%, 1st collateral trust, due 1932	7,500,000

Market Record—

Year	High	Low
1916	83¼	79
1917	83	68½
1918	88½	68½
1919	95	84½
1920	90	76
1921	89½	77½
1922	104¾	85
1923	143¼	103¾
1924	188	140⅛
1925	220	152
1926	240	209
1926*	75	59
1927	96¾	68⅛
1928†	94½	89

*Shares of no par value.
†To Feb. 25.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING DEC. 31

	1927 $	1926 $	1925 $	1924 $	1923 $	1922 $
Gross Earnings	20,314,902	18,907,382	18,348,806	17,394,092	16,140,961	14,431,323
Less Oper. Expenses	8,467,708	8,322,956	8,623,899	7,984,493	7,113,960	6,504,717
Net Earnings	11,847,194	10,584,426	9,724,907	9,409,599	9,027,001	7,926,606
Less—						
Deprec. and Renewal	2,031,490	1,890,738	1,834,881	1,739,409	1,614,096	1,443,132
Fixed Charges	2,922,912	1,611,121	1,213,650	1,209,778	1,211,655	1,214,786
Income Taxes	......	......	......	626,238	559,700	672,042
Pension Fund	20,000	20,000	20,000	20,000	20,000	20,000
	4,974,402	3,521,859	3,068,531	3,595,425	3,405,451	3,349,960
Net Profits	6,872,792	7,062,567	6,656,376	5,814,174	5,621,550	4,576,646
Less Appropriations—						
Dividends	3,915,422	5,135,041	4,256,639	3,770,642	3,231,767	2,690,398
Dividends Accrued	......	......	862,452	754,262	754,041	646,069
Insurance Reserve	300,000	58,044	......	150,000	......	......
Surplus for year	2,657,370	1,869,482	1,537,285	1,139,270	1,635,742	1,240,179
Add Previous Surplus	......	......	7,471,082	6,831,812	4,696,070	3,455,891
Bal. Carried Forward	*2,657,370	*1,869,482	9,008,367	7,471,082	6,331,812	4,696,070

*Transferred to capital and surplus.

Montreal Coke

Plant Will be in Operation by Middle of the Current Year

Partially controlled by Montreal Light, Heat & Power Company

The plant of the Montreal Coke and Manufacturing Company will go into operation about the middle of 1928. The company is owned jointly by Montreal Power and the Koppers Company. The parent organizations own all the preferred and common stock outstanding.

Investment interest in the property centres on its bond issue which is amply secured both as to assets and as to earnings, for the company has an immediate market for its output of gas under an agreement with Montreal Light, Heat and Power; the coke produced will be sold to industrial consumers and for domestic use. The coke to be produced is a high grade, smokeless fuel which can be sold at a figure lower than the price of comparable fuels which have a wide market in the Montreal area. The company will annually produce 450,000 tons of coke and 9,000,000 cubic feet of gas and resulting by products. The markets for the byproducts are well established.

Montreal Power has entered into an agreement to purchase the entire gas output of the plant for five years; thereafter the agreement provides for the purchase of an amount of gas sufficient to ensure the economical operation of the plant. The agreement runs until after the maturity of the bond issue.

Capitalization—

	Authorized	Outstanding
Common (No par value)	100,000 shs.	100,000 shs.
Preferred 6% cum. (Par $100)	$5,000,000	$2,000,000

All common stock is owned by Montreal Light, Heat & Power Consolidated and by the Koppers Company of Delaware, through a wholly owned subsidiary. The $2,000,000 preferred stock was subscribed for in equal amounts by these two companies.

Funded Debt—

1st mtge. sinking fund gold bonds, series "A", 5½%, due 1947, $4,000,000.

Officers and Directors—

J. S. Norris, pres.; D. G. Munroe, vice-pres. and man.-dir.; G. H. Montgomery, J. J. Humphreys, W. F. Rust, H. Lee, J. T. Tierney.

United Securities

Is Now Retiring Preferred Shares at Rate of $71,000 Every Year

Subsidiary of Montreal Light, Heat & Power, and Shawinigan Water & Power Company

The United Securities is a holding company owned jointly by Shawinigan and Montreal Power. In 1924 when the company was organized, the parent companies paid $100 a share for the majority of the common stock. Early in 1926 the United Securities acquired sufficient stock of the Montreal Tramways Co. to enable it to control this subsidiary. United Securities owns also 55 per cent. of the common shares and $1,300,000 of the 5 per cent. first mortgage bonds of the Canadian Light and Power Co. Formerly the company owned the Quebec-New England Hydro-Electric Corporation, which has been sold to Montreal Power.

When the United Securities sold the Quebec-New England Hydro-Electric Corporation to the Montreal Light, Heat and Power Consolidated two years ago, the price consisted of an annual payment of $400,000 extended over 30 years. Thus, a portion of this annual payment goes to capital account and reduces the assets by a definite amount each year. Hence, the company can reduce its outstanding capitalization annually by this same figure.

Is Retiring Preferred

Thus, the United Securities has entered into an agreement that each year it will set aside the sum of $71,373 as a sinking fund to be used in the retirement of the outstanding preferred stock. The annual report for each year will show the reduction in the outstanding preferred.

By applying $71,373 annually to retiring its preferred, or by applying this sum to a sinking fund, the United Securities at the end of 30 years will have written off from its assets the entire figure at which it now carries the contract with the Montreal Light, Heat and Power for the purchase of the Quebec-New England Hydro-Electric Corporation.

By calling its own preferred stock at 105, it is obvious that the United Securities can obtain a better yield in its sinking fund rather than by investing the $71,373 each year in high grade bonds, which would be used to retire the preferred issue at maturity.

No Exchange Is Likely

Despite this situation surrounding the preferred stock, rumors have from time to time been circulated indicating that the preferred shareholders would be offered an exchange into common shares of the company. This seems unlikely. Last January the United Securities was able to redeem a large block of its preferred stock at $105 a share. Hence, those who purchase the stock above the call price stand a chance of having their shares called.

The United Securities does not control the Montreal Tramways directly, but through the Consolidated Securities, in which it owns all the common stock. The Consolidated Securities owns over 52 per cent. of the Montreal Tramways stock.

At the present time the price of the common shares appears to discount fully the possibilities of the future, for little increase in the revenue applicable to the common can be anticipated, at least for some years.

Income and Surplus Account Years Ending March 31

	1927	1926
Gross revenue	$627,643	$839,696
Less:		
Expense	$165,892	$ 88,235
Interest	147,807	137,623
Net profit	$313,944	$613,838
Pref. dividends	307,047	520,050
Surplus	$ 6,897	$ 93,788
Add prev. surplus	x73,336	......
Surplus carr. forward	$ 80,233	$ 93,788

xAfter adjustments.

Market Record—

	1927 H	1927 L	z1928 H	z1928 L
Common	70½	43½	64½	64
Preferred	118	103¼	105	100

zTo February 29.

Officers and Directors—

J. C. Smith, pres.; J. S. Norris, vice-pres.; J. Wilson, sec-treas.; H. H. Haydon, asst. sec.-treas.; H. Murray, G. H. Montgomery, G. W. MacDougall, Hon. L. C. Webster, Hon. J. L. Perron, C. S. Bagg, O. Dufresne.

Capitalization—

	Authorized	Outstanding
Common	$14,000,000	$5,126,200
Pref. 6% non-vot.	6,000,000	5,125,400

Funded Debt—

Collateral trust gold bonds, series "A", 5½%, due 1952, $3,600,000.

Dividend Record—

Preferred 6% per annum, payable quarterly, Jan., Apr., July, and Oct. 1.

Canadian Light

Present Price More Than Discounts Potential Earnings of Company

Subsidiary of United Securities Corporation

The Canadian Light and Power Co. when it passed into the control of the United Securities, controlled by Montreal Power and Shawinigan, entered on a new era in what had formerly been its checkered career.

The company holds a contract with a subsidiary of Montreal Power to supply not less than 15,000 and not more than 20,000 horsepower at $20 per horsepower, which lasts until 1949. Since the property was acquired by its new owners a few years ago, it has been improved and the output increased. Earnings are well in excess of the bond interest requirements. There is some interest in the common stock. Earnings for 1927 will probably show a betterment as compared with the preceding year.

The present price of the stock on the Montreal Curb market appears to more than discount the potential future earnings of the company. It may be three or four years yet before a dividend is declared on the stock which would tend to raise its price level. In the meantime, the company is ably managed and should be able to make the most of its rather limited assets.

Capitalization—

	Authorized	Outstanding
Stock	$3,325,000	$3,324,800

Shares $100 each.

United Securities, Ltd., owns 18,593 shares out of 33,248 issued.

Funded Debt—

First gold bonds, 5 per cent., due 1949 .... $3,280,800

Officers and Directors—

J. C. Smith, pres.; J. S. Norris, vice-pres.; Marion J. Verdery, W. C. Finley, G. W. MacDougall, K.C.; G. H. Montgomery, K.C.; H. Murray, J. L. Perron, L. C. Webster, J. Wilson, sec.; W. S. Hart, treas.; H. H. Haydon, asst. treas.

Market Record—

	1927 High	1927 Low	x1928 High	x1928 Low
Stock	55	20	49	43

Income Account, Year Ending Dec. 31

	1926
Gross income	$313,404
Less:	
Operating expenses	$ 97,176
Bond interest	164,512
Sinking fund reserve	32,997
Depreciation	18,719
	$313,404

xTo Feb. 29.

Quinte and Trent

Comparatively New Company Already Proves Soundness of Financing

Earnings of the Quinte and Trent Valley Power Company are largely in excess of the bond interest and preferred dividend requirements, the only outstanding securities of the company in which there is an investment interest.

The company has completed but little over a year of full operation and the satisfactory earnings reflect the soundness of the financing undertaken two years ago to provide funds for what was at that time a project. The company owns and operates two hydro plants, one at Frankford and one at Campbellford on the Trent River in Ontario. Both plants have been in operation since a year ago last June.

The capacity of the two plants is 4,000 h.p., but the total output can be increased to 6,000 h.p. through the installation of a further generator.

The common stock of the Quinte & Trent Valley Power Co., is owned by the Canadian Paperboard Co.,

Capitalization—

	Authorized	Outstanding
Common (No par value).	10,000 shs.	10,000 shs.
Preferred 7% (Par $100).	$500,000	$325,000

Funded Debt—

First mortgage 6% sinking fund gold bonds, series "A," due 1955, ... $400,000

Officers and Directors—

J. G. G. Kerry, pres.; S. Johnston, Hon. E. D. Smith, J. Kerry, vice-pres.; C. E. Whitten, sec. and treas.

MONTREAL "POWER'S" RECORD

Year	Population	Gross income	Rates for electric lighting per kw. hr.	Gas customers	Electricity customers
1902	333,861	$1,760,285	13.50	25,247	5,611
1903	360,000	1,937,561	12.75	28,395	10,373
1904	373,000	2,589,447	12.75	30,638	11,176
1905	385,000	2,901,265	12.75	34,039	12,191
1906	405,000	3,186,103	12.75	37,999	12,937
1907	434,000	3,453,490	12.75	42,452	13,994
1908	454,000	3,792,218	12.75	47,177	15,016
1909	476,334	4,079,769	10.00	52,290	16,473
1910	507,000	4,240,946	9.00	57,046	19,367
1911	554,000	4,404,126	7.50	63,575	24,222
1912	602,437	4,969,255	7.00	71,948	32,000
1913	652,533	5,509,557	6.40	82,335	43,591
1914	690,217	6,245,697	6.00	90,148	56,029
1915	713,700	6,617,105	6.00	94,817	65,476
1916	733,200	6,877,168	5.00	100,348	77,760
1917	757,996	6,783,840	5.00	106,629	89,564
1918	729,102	10,390,684	5.00	110,864	99,356
1919	763,164	10,939,273	4.80	113,747	111,360
1920	801,216	12,748,410	4.80	117,207	123,078
1921	839,704	13,289,965	4.80	118,542	131,006
1922	863,188	14,431,323	4.80	122,689	140,445
1923	941,529	16,140,961	4.25	127,083	150,056
1924	979,027	17,394,092	4.00	134,978	175,315
1925	1,028,000	18,348,806	3.50	144,201	187,284
1926	1,077,000	18,907,382	3.50	153,506	196,992
1927	1,129,783	20,314,902	3.50	162,349	207,360

Montreal Tramways

Shares Are Satisfactory Investment Issue — Company's Position as Tractions Generally Work Into Better Shape

Subsidiary of United Securities Corporation

Two features make the shares of the Montreal Tramways Co. an attractive investment issue. First, the equity of the shareholders in the company is not large when compared with the amount of bonds outstanding. Second, while such a situation in a company's capital structure does not usually make for investment stability, yet with the Montreal Tramways stock, the contract which the company has with the city is such as virtually to assure satisfactory returns to the shareholders.

The Tramways' funded debt amounts to some $40,000,000, as compared with the common stock presently outstanding to the extent of $5,000,000. The market, though, places a value on the common stock of close to twice this last figure. For the future, there seems little possibility of the company doing any large financing by bonds; this indicates that valuable rights will be made available to the stockholders from time to time.

Traction Outlook Improves

The last year or two has proved that the traction companies as a group have been improving their position. Montreal Trams earnings have steadily increased over the last year or two and the outlook for the future is towards further increases.

The Montreal Tramways Co. is controlled by strong interests, namely, Montreal Light, Heat and Power Consolidated, and the Shawinigan Water and Power Co. These two companies jointly control the shares of the United Securities, which in turn owns all the common stock of the Consolidated Securities, which in turn owns more than 50 per cent. of the outstanding shares of Tramways. Thus, the company has the benefit of excellent management and an association with other utilities which in serving the same area makes for efficient economic operation.

With the ultimate extension of Montreal traction facilities, probably in the underground or overhead traction field, there is every reason to presume that the company will be able to arrive at a satisfactory operating agreement with the city when further transportation facilities are constructed in Montreal. That time does not appear to be far distant. When it arrives, the shareholders in Trams should benefit by the issuance of new rights or by new financing of one kind or another for expansion in the rapid transit field.

The year just concluded has been an excellent one for the company. The total number of passengers carried has increased substantially; car mileage has increased and the company is increasing its bus facilities.

The company owns and controls all the street railways operating in the city of Montreal and the suburban municipalities on the island of Montreal. The population in these territories is in excess of 1,000,000.

The franchise rights are embodied in a contract with the city, which provides that fares shall be adjusted from time to time in order that the company shall receive, after payment of all operating expenses, maintenance and renewal funds payments, an annual return of a minimum of 6 per cent. on the capital value of the property, fixed through the franchise contract. This contract expires in March, 1953, and is not terminable, unless the city exercises the right to expropriate the property.

Not only does the company operate its street car business, but it is steadily expanding in the motor bus field.

Capitalization—

	Authorized	Outstanding
Common stock	$20,000,000	$5,000,000

Par $100.

In October, 1926, $1,000,000 common stock was issued to shareholders at $125 per share on the basis of one share of new stock for every four shares held. The new shares ranked for dividend for the quarter ended Mar. 31, 1927.

Funded Debt—

General refunding 5% mtge., due 1955, "A"	$17,826,500
Gen. refunding 5% mtge., due 1955 "B"	$2,500,000
First mtge. bonds, 5%, due 1941	$21,351,000

Dividend Record—

1913	10%	1920	10+10%
1914	10	1921	10+5
1915	10	1922	10
1916	10	1923	10
1917	10	1924	10
1918	2½	1925	10
1919	2½	1926	10
		1927	10

Officers and Directors—

J. C. Smith, pres. and man. dir.; Senator J. P. B. Casgrain, Wm. C. Finley, J. E. Hutcheson, vice-pres. and gen. mgr.; Beaudry Leman, G. W. MacDougall, G. H. Montgomery, Howard Murray, Hon. J. L. Perron, Sen. Lorne C. Webster, P. Dubee, sec.-treas.; C. H. Boire, asst. sec.-treas.

Market Record—

Year	High	Low
1913	198½	120
1914	230	190
1915	220	220
1916	200	175
1917	181	165
1918	150	150
1919	160	114¾
1920	155	125
1921	151	105
1922	172	142
1923	159	140
1924	179	148
1925	187½	160
1926	190	159
1927	200	169
1928*	200	190

* To Feb. 25.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING DECEMBER 31

	1926 $	1925x $	1925* $	1924* $	1923* $	1922* $
Total Revenue	2,805,726	1,354,826	2,576,940	2,449,175	2,430,225	2,441,479
Less Interest, etc.	2,126,567	1,033,335	1,953,146	1,885,621	1,882,192	1,917,475
Net Profits	679,159	321,491	623,794	563,554	548,033	524,004
Less Appropriations—						
Dividends	400,000	200,000	400,000	400,000	399,947	397,432
Deferred Dividends	......	......	......	......	......	198,388
Reserve	......	......	......	......	400,000	......
Value Discarded Property	......	......	......	87,780	......	......
Surplus for year	279,159	121,491	223,794	75,774	†251,914	†71,816
Add Previous Surplus	1,014,038	892,547	668,753	592,979	844,893	916,709
Bal. Carried Forward	1,293,197	1,014,038	892,547	668,753	592,979	844,893

*Year ending June 30. †Debit. xHalf year, from June 30 to Dec. 31.

Duke-Price Power

Is Now Delivering 100,000 H.P. to Shawinigan Water and Power Company

Last October marked completion of the new transmission line connecting the Duke-Price Power Co's plant with the lines of the Shawinigan Water and Power Co. Shawinigan is now receiving an additional 100,000 horsepower from the big plant on the Saguenay. The plant has now installed and in operation ten generator units, with a total capacity of 450,000 horsepower. These units are practically loaded to capacity at the present time and it is thought that the current year may witness the installation of two further generators in the plant. The ultimate capacity of the plant amounts to 540,000 horsepower, which would be generated from twelve units of 45,000 horsepower each.

Long Term Power Contracts

The company holds long term contracts for the sale of 330,000 horsepower, of which 240,000 horsepower is sold under fifty year contracts. The main users of the company's service are the Aluminum Co. of Canada and the Shawinigan Water and Power Co., which purchases 100,000 horsepower through the lines of its subsidiary, the Quebec Power Co. The pulp and paper companies in the Saguenay territory purchase large blocks of power en bloc.

The company was incorporated in 1924 and was formerly owned by the Quebec Development Co., but is now owned jointly by the Aluminum Co. of America, which holds 53 per cent. of the stock; the Shawinigan Water and Power Co., which owns 20 per cent. of the shares, and the remainder is held by the Duke-Price interests.

The investment interest in the Duke-Price Power is confined solely to its issue of bonds, which are well secured and on which earnings are increasing and will continue to increase.

Officers and Directors—

A. V. Davis, pres.; G. G. Allen, vice-pres.; T. Bostwick, vice-pres.; J. E. Aldred, W. R. Perkins, J. H. Price, L. McCarthy, J. C. Smith, J. F. Van Lane, asst. sec.; W. C. Parker, sec.-treas.; G. T. Curtis, asst. sec.

Capitalization—

	Outstanding
Common (No par value).	210,000 shs.

Funded Debt—

First mtge. 6 per cent., due 1966	$37,000,000
Five year 6% gold notes, due 1932	3,500,000

INCOME AND SURPLUS ACCOUNT Years Ending Dec. 31.

	1927	1926	1925
Oper. rev.	$3,123,526	$1,118,634	*$188,671
Op.& gen.exp.	470,470	207,811	83,158
Net revenue	2,653,056	905,823	105,513
Misc. int. rev.	66,629	604,539	8,278
Total income	2,719,685	1,510,362	113,791
Int. bonds, etc.	2,341,351	1,664,500	720,000
Net bef. dep.	378,334	†154,138	†606,209
Depreciation	315,894	....	....
Net income	62,440	....	....
Add surplus	46,091	....	....
§Surplus	108,531	....	....

† Net loss.
* Partial operation of plant commenced in May, 1925.
§ As at December 31, 1927.

Can. Marconi

Shares Have Had Big Rise and There is Doubt if Price is Sound

The most satisfactory development for several years in the affairs of the Canadian Marconi Co. has been the appointment of Sir Joseph Flavelle as chairman of the board. The addition to the board of such a business leader materially improves the outlook for the company.

Last autumn the control of the shares of the Canadian Marconi Co. was purchased by Lazard Bros. & Co., investment bankers, and these shares were transferred to a holding company in which the British Marconi Co. and the Radio Corporation of America have a substantial participation. Lazard Bros., though, control the holding company and in order to ensure that the control remains permanently British, the investment house has formed a voting trust lasting for twenty-five years. This trust will hold the voting control of the holding company; it will be vested in three trustees, two of whom are to be nominated by Lazard Bros. & Co. and one by the British Marconi Co.

Capitalization—

Authorized	Outstanding
$7,500,000	$3,380,642

(Shares $1.00 each)

No funded debt.

Dividend Record—

None.

Officers and Directors—

Sir J. Flavelle, chm. of board; Dr. M. L. Hersey, pres.; A. E. Dyment, vice-pres.; Rt. Hon. F. G. Kellaway, H. M. Short, man. dir., F. Perry, G. W. MacDougall, J. Lyons, sec.

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A MULTIPLIED INVESTMENT
WITH A DIVIDED RISK

CANADA A FAVORABLE FIELD FOR THE DEVELOPMENT OF THE INVESTMENT TRUST.

The history of the investment trust proves that it thrives best where there is a combination of conditions suitable for its development.

These favorable factors are present to-day in Canada in unusually good measure.

Canadians possess great present and potential national wealth.

They have great productive capacity and, therefore, have reasonably large surplus funds.

Canadians have proven their wide interest in and great capacity for investment.

Canada's per capita foreign trade has surpassed that of all important countries.

These are a few of the conditions which make Canada a favorable field for the investment trust.

Canadians who purchase investment trust securities wisely will be assured of appreciating profits with safety.

THE investment trust, whilst new to Canada, is especially adapted to thrive in Canada to the advantage of investors.

Experience has amply proved — particularly in England and Scotland — that well-managed investment trusts have been a source of safe and profitable investment.

Such trusts embody the sound principle of investments diversified not only as to classes of securities, types of industries, but geographically; and safety based on this diversification plus the specialized knowledge and experience of the management. There is also the added factor of investment appreciation to further attract investors.

Not all investment trusts are alike. Experience shows that those organized to consider the income from bonds and stocks of primary importance, and income from appreciation or profits realized on sale of securities of secondary importance, have been most successful and secure.

We will soon offer Canadian investors the opportunity to participate in an investment trust already established on sound lines and functioning profitably.

BROWNE, URQUHART & COMPANY
LIMITED
INVESTMENT BONDS
180 ST. JAMES STREET, MONTREAL

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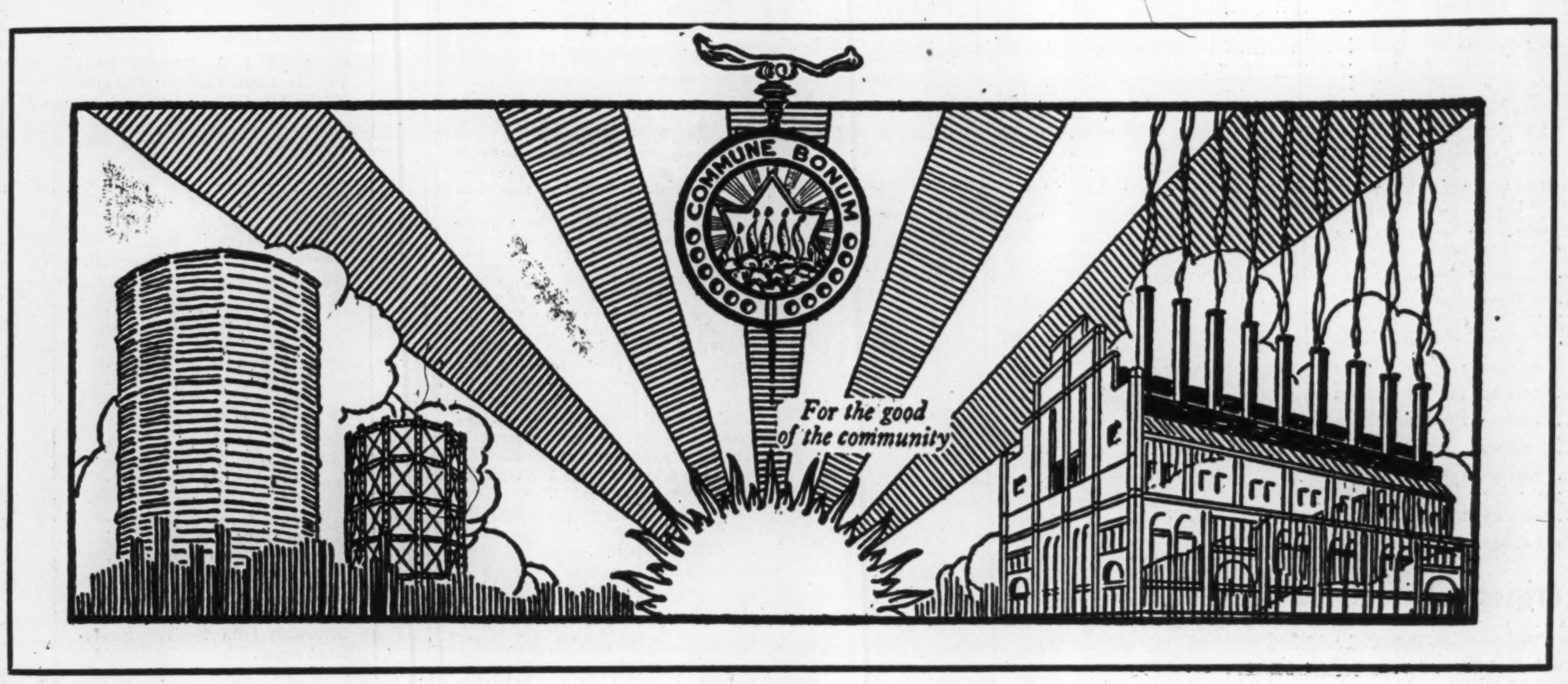
TORONTO'S OLDEST PUBLIC UTILITY


COMMUNE BONUM
For the good of the community

CONSTANT PROGRESS

TWENTY-ONE years ago, in 1907, the population of Toronto was 272,600, whereas the population which the Consumers' Gas Company of Toronto serves to-day is approximately 600,000, representing an increase of 120%.

Gas sales of Consumers' Gas Company in 1907 totalled 1,000,773,558 cubic feet, whereas during the past fiscal year they totalled 5,826,146,000 cubic feet, representing an increase of 228%. Hence, the increase in gas sales during the 20-year period has been almost double the increase in population.

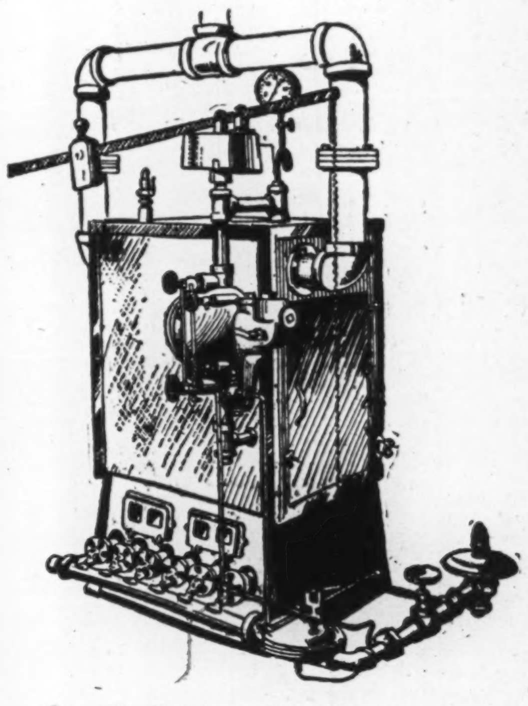
Furthermore the company has 156,000 meters installed, making the ratio of meters to population approximately 1 to 4. This means that there is a gas meter for nearly every home in the city. In 1904 the number of gas meters installed was 36,428; in 1924, the number was 99,648. Since 1904, street mains were increased from 287 miles to over 800 miles. The comparative figures furnished above serve to demonstrate the remarkable growth of this utility.

The Plant and Properties of the Company

The plant of the company is divided into three units. Station A comprises an area of 10 acres of very valuable property, close to the heart of the city.

This plant has a manufacturing capacity of 10,000,000 cubic feet of gas per day. Station B covers a property of 32 acres. On this property is erected one of the most modern and highly efficient gas works on the continent, with a daily capacity of 12,000,000 cubic feet. Station C is a holder station for supplying the western and northern sections of the city. The company owns land on Weston Road, West Toronto, for plant extension purposes.

In addition the company has valuable properties in the heart of the city for office, retail sales and distribution work.



Gas Fired House Heating Furnace.

THE CONSUMERS' GAS COMPANY OF TORONTO

Laurentide Power Co.

Continues to Maintain Its Individual Identity Despite Likelihood of Being Sold Out to Other Interests

Subsidiary of Canada Power and Paper Company

Despite the recurrent rumors of a sale of the Laurentide Power Co., the property is and will likely remain a subsidiary of the Canada Power and Paper Co.—the new St. Maurice-Laurentide merger company. The company goes steadily along making satisfactory earnings. The Laurentide Power Co.'s growth since its inception has been slow, but all the power is sold en bloc at the plant. Hence, any immediate spectacular jump in earnings is out of the question.

The Laurentide Power Co. is the outgrowth of a power development built by the Laurentide Company to supply power to its paper mill at Grand 'Mere, P.Q. It was formed in 1915 and the parent company owns 72 per cent. of the stock. The large excess of power not required by the Laurentide Co. is sold to the Shawinigan Water and Power Co. The company thus has but two customers. It owns no transmission lines.

Can Instal More Power

Space is provided in its plant for the installation of a further 20,000 horsepower unit, which, when installed, will serve to increase its earning power more than proportionately as the unit can be installed at low cost. Due to the fact that each year sees a better regulation of the water of the St. Maurice River, there is every reason to anticipate that eventually the flow of the water in the river may be such that the company will be able to install its ninth and last unit in its plant.

At the present time eight electrical units of 20,000 horsepower each are installed at the plant. The bonded debt per horsepower amounts to only $50—an extremely low figure as compared with other power companies. All the power is sold under long term contracts. The company owns its power site outright and it operates on a notably low operating cost basis.

If the Canada Power and Paper should ever decide to sell the Laurentide Power it would undoubtedly obtain a very handsome price for its well located and valuable subsidiary. The stock is undoubtedly in the investment class. The company operates under a capable management.

However, the Laurentide Power Company will not install the last unit in its plant until the flow of the St. Maurice River is better regulated by the erection of further storage dams on the head waters of the river.

Capitalization—

	Authorized	Outstanding
Common	$10,500,000	$10,500,000
Funded Debt—		
First 30-yr. sinking fund, gold 5%, due 1946	7,500,000	6,762,000
General mortgage 5½%, due 1946	2,000,000	1,510,000

Dividend Record—

Year		Year	
1919	3%	1923	5%
1920	4	1924	5
1921	4	1925	5
1922	4¾	1926	5
		1927	5

Officers and Directors—

F. A. Sabbaton, pres.; Julian Smith, vice-pres.; Edwin Hanson, George Chahoon, Jr.; J. E. Aldred, Howard Murray, B.E.E., G. H. Montgomery, K.C., A. A. Tilney, Capt. J. H. A. Acer, L. Armstrong, treas.; W. F. Robinson, sec.; F. E. McNally, asst. sec.

Market Record—

Year	High	Low
1920	75	51
1921	76	53
1922	99	70
1923	101	93¾
1924	97½	85¾
1925	108	93
1926	130	100
1927	150	105
1928*	165	135

* To Feb. 29.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING DECEMBER 31

	1927 $	1926 $	1925 $	1924 $	1923 $	1922 $
Gross Earnings	1,505,923	1,483,747	1,500,412	1,480,862	1,417,823	1,349,030
Less Oper. Expenses	258,518	262,835	248,249	242,585	247,538	199,367
Net Earnings	1,247,405	1,220,912	1,252,163	1,238,277	1,170,285	1,149,663
Less—						
Bond Interest	466,735	458,875	467,854	475,380	474,857	474,400
Exchange on Int.	......	......	69	3,993	8,394	4,457
Bond Conversion Exp.	......	7,860	7,860	......	......	......
Income Tax	42,000	50,000	65,000	65,000	64,000	......
	508,735	516,735	540,783	544,373	547,251	478,857
Net Profits	738,670	704,177	711,380	693,904	623,034	670,806
Less Appropriations—						
Dividends	525,000	525,000	525,000	525,000	525,000	525,000
S. F. Reserve	90,250	90,250	90,250	89,340	89,340	89,200
Tr. to Depr. Reserve	100,000	100,000	100,000	......	......	......
Tr. to Conting. Reserve	......	......	......	60,000	......	......
Other Appropriations	......	......	......	......	127,458	......
Surplus for year	23,420	*11,073	*3,870	19,564	*118,764	56,606
Add Previous Surplus	15,094	26,168	30,038	10,474	69,238	12,632
To. from Conting. Fund	......	......	......	......	60,000	......
Bal. Carried Forward	38,514	15,095	26,168	30,038	10,474	69,238

*Debit.

Duluth Superior

Traction Company Apparently is Gaining Better Investment Position

Duluth-Superior Traction Co. owns and operates street railway and bus services in Duluth, Minnesota, and Superior, Wisconsin. There has been an important Canadian investment interest in this company for many years and as a rule investors have continued to hold the stock through the vicissitudes that have afflicted the traction companies in the last twelve or fourteen years. In that time earnings have been extremely slim, but this company is one of those which was enabled by reason of an exceptionally strong balance sheet in pre-war days to weather storms which under less skilful direction might have resulted in receivership and other disasters.

It is by no means safe to say, however, that this company's difficulties are entirely in the background. Yet undoubtedly the outlook is better now than it has been for some years. Only recently the company's position has been bettered materially by an increase in fare in Superior, bringing the rate in that city to the same level as has prevailed for some time in Duluth. In the last year nearly every month has shown an increase in net earnings.

In the past the company, like so many others in the United States, has been subjected to political attack. In the various phases of litigation, however, the investor can be comforted by the fact that the company in almost every instance has won in the courts. Gradually, also, a more tolerant attitude may have been detected on the part of the public and possibly the politicians will discover more popular methods of retaining good-will. The litigation over rates between the elective officials and the company apparently is in its last stages.

Capitalization—

	Authorized	Outstanding
Pref. 4% cum.	$1,500,000	$1,500,000
Common	3,500,000	3,500,000
Funded Debt—		
Bonds, Duluth Ry. 5% first mortgage due 1930.	2,500,000	2,500,000
Bonds, 5% general mtge. due 1930	2,500,000	858,000

Dividend Record—

1916	4	.
1917	4	2
1918	4	3
1919	4	.
1920	4	.
1921	1	.
1922	5	.
1923	5	.
1924	3	1
1925	4	.
1926	4	.
1927	4	1

Officers and Directors—

A. E. Ames, chairman; A. M. Robertson, president; L. B. Zacher, asst. sec.; L. Mendenhall, Horace Lowry, F. H. Deacon, H. F. Salyards, C. R. Fridley, H. Warren, vice-pres. and gen. mgr.; S. L. Reichert, sec.-treas.; W. P. Dwyer, auditor.

Market Record—

Year	High	Low
1912	80½	70
1913	74	55
1914	67	59¾
1915	..	..
1916	49	37
1917	51	40
1918	42	41
1919	32½	27⅞
1920	28	12
1921	26	12¾
1922	30	16
1923	44	28½
1924	38¼	19
1925	42	28½
1926	33¼	25
1927	30⅞	21
1928*	22	19

*To Feb. 25.

INCOME AND SURPLUS ACCOUNT

Years ending Dec. 31

	1927	1926	1925
Net income	$107,645	$ 60,797	$ 83,861
Misc. cred.	6,749	3,065	15,250
	114,394	63,862	99,111
Pref divd.	87,793	84,987	89,038
Com. divd.	35,000	......	......
Sundry items	207	2,146	2,095
Accid. claims	40,832	......	......
Balance	x49,438	x23,271	7,978
Prev. surplus	642,540	665,811	657,833
Surplus	593,102	642,540	665,811
Add to prop.	171,470	193,739	215,454
F. debt retired	356,449	332,501	307,194
Sink. fd. res.	16,099	15,725	16,625
Unapprop.	49,084	100,575	126,538

x Debit.

	1927	1926	1925
Gross earn.	$1,965,489	$1,951,142	$1,943,493
Oper. exp.	1,570,441	1,622,131	1,578,013
Net earn.	395,048	329,011	365,480

N. B. Telephone

Shares Are Popular in Maritimes, Where Customer Ownership is Pursued

The shares of the New Brunswick Telephone Co. are popular in the Maritime provinces. The stock occupies an investment position very similar to the shares of the Bell Telephone Co. which holds a minority interest in the New Brunswick property.

The shares of New Brunswick Telephone Co. have a par value of $10 and from time to time new stock issues are offered the shareholders at a figure below the market's valuation of the stock. Two important points about the company are that it has no funded debt and that its public relations are excellent. The company has long sponsored a customer-ownership policy. The stock is widely held in small blocks and should at any time earnings be less than 8 per cent., the company can ask for a revision of rates. These revisions have taken place in the past without the management losing the public's confidence.

With the increasing development of the natural resources of the province of New Brunswick, the territory served by the company, there can be no doubt that for the future the growth of the organization will be maintained.

Capitalization— Outstanding

Capital stock (par $10) $3,200,000

The New Brunswick Board of Public Utilities authorized the company to issue additional stock to an amount of $225,000, which increases the amount of stock outstanding to $3,200,000.

Funded Debt—

None.

Dividend Record—

Dividends: 8 per cent. Company has right to increase charges to meet dividend, if necessary.

Officers and Directors—

Officers: F. B. Black, pres.; R. O'Leary, I. R. Todd, vice-presidents; N. E. Moore, sec.-treas.

Directors: W. C. Allison, Dr. A. P. Barnhill, H. P. Robinson, J. M. Robinson, Lt.-Col. J. L. McAvity, Saint John, N.B.; Hon. F. B. Black, Sackville, N.B.; Archibald Fraser, R. B. Hanson, Fredericton, N.B.; E. W. Mair, Woodstock, N.B.; J. E. Macpherson, Montreal; Angus McLean, Bathurst, N.B.; R. O'Leary, Richibucto, N.B.; E. H. Sinclair, Newcastle, N.B.; F. R. Sumner, Moncton, N.B.; Hon. I. R. Todd, Milltown, N.B.

Twin City Transit

Forthcoming Vote May Sanction More Adequate Revenues

One of the traction companies which apparently has turned the corner after a period of lean times is Twin City Rapid Transit, which serves St. Paul and Minneapolis and the neighboring community of Stillwater in Minnesota. The outlook for the company undoubtedly has improved materially with the decision of the Railroad and Warehouse Commission of Minnesota to permit an increase in the street car fare in St. Paul to the same level as prevails in Minneapolis, unless the voters of St. Paul relieve the company of certain paving charges. A special vote will be taken on the question in St. Paul this month. It is anticipated that the company will be afforded the relief asked for. The question was submitted to the voters on a previous occasion, but was rejected. The defeat was attributed to the fact that a number of proposals, all of them unpopular, were submitted simultaneously. The fact that the fare will be raised if the paving charges are not remitted will affect the result of the vote, it is believed.

With these paving charges remitted, the directors of the company are convinced that under existing rates of fare, the company will be able to earn 7½ per cent. on the valuation agreed upon between the city, company and state authorities. In these circumstances, and because the valuation is in excess of the capitalization of the company, it is fair to assume that the position of the common stock gradually will improve.

This company, as well as many others, has been the object of political attack, but a more tolerant attitude is discernible on the part of the public and the more enlightened laws are being attributed favorably to the company by the courts. The company operates motor buses and taxicabs. The company's water power consists of a lease at St. Anthony Falls with a capacity of 2,200 horsepower. The equipment includes 500 miles of tracks, 1,100 cars, and 17 steamboats operating on Lake Minnetonka. The franchise is indeterminate.

Officers and Directors—

Horace Lowry, president; E. W. Decker, vice-president; T. Julian McGill, vice-pres.; A. M. Robertson, vice-pres. and secretary; E. A. Crosby, treas.; A. D. Starkey, asst. treas.; D. J. Strouse, compt.; S. Macdonald, asst. compt.; D. Goodrich, G. H. Partridge, C. Hayden, J. R. Mitchell, Frank Bergen, A. E. Ames, W. O. Washburn, A. F. Pillsbury, J. A. Cathcart.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING DECEMBER 31

	1927 $	1926 $	1925 $	1924 $	1923 $	1922 $
Gross Earnings	13,425,643	13,945,266	12,378,352	12,704,569	13,463,112	13,772,647
Less Oper. Expenses	9,959,972	10,322,488	9,234,089	9,185,928	9,537,841	9,914,324
Net Earnings	3,465,671	3,622,778	3,144,263	3,518,641	3,925,271	3,858,323
Less: Taxes	1,254,793	1,229,115	1,291,138	1,265,982	1,373,069	1,251,925
Rent and Miscellaneous	10,040	10,311	11,375	11,744	11,443	19,183
Bond Interest	991,601	995,520	988,954	1,072,968	1,087,626	1,091,255
Other Interest	565	5,888	......	......	......	......
Loss Physical Property	......	1,637	......	......	......	......
Total	1,208,672	1,380,307	852,796	1,167,947	1,453,133	1,495,960
Non-Oper. Income	63,929	56,498	184,631	101,062	116,935	69,241
Net Income	1,272,601	1,436,805	1,037,427	1,269,009	1,570,068	1,565,201
Less Appropriations—						
Net Adjustments	10,800	30,247	29,332	77,063	....	....
Preferred Dividends	210,000	210,000	210,000	210,000	210,000	210,000
Common Dividends	880,000	1,100,000	880,000	880,000	1,320,000	880,000
Surplus for year	171,801	96,558	†81,905	101,946	40,068	475,201
Add Previous Surplus	1,962,905	*1,866,847	1,876,038	1,774,092	1,722,735	1,211,202
Net Adjustments	......	......	......	......	11,289	36,332
Bal. Carried Forward	2,134,706	1,962,905	1,794,133	1,876,038	1,774,092	1,722,735

*Including accounts of Twin City Bus Co. †Debit.

Capitalization—

	Authorized	Outstanding
Common	$22,000,000	$22,000,000
Pref. 7% cum.	3,000,000	3,000,000
Funded Debt—		
First lien and refund bonds, series "A" 5½% Due 1952.	18,000,000	18,000,000
St. Paul City Ry.		
Bonds, 6% Due 1932.	500,000	224,000
Bonds, 6% Due 1934.	1,000,000	456,000
Bonds, 5% Due 1937.	5,500,000	3,708,000

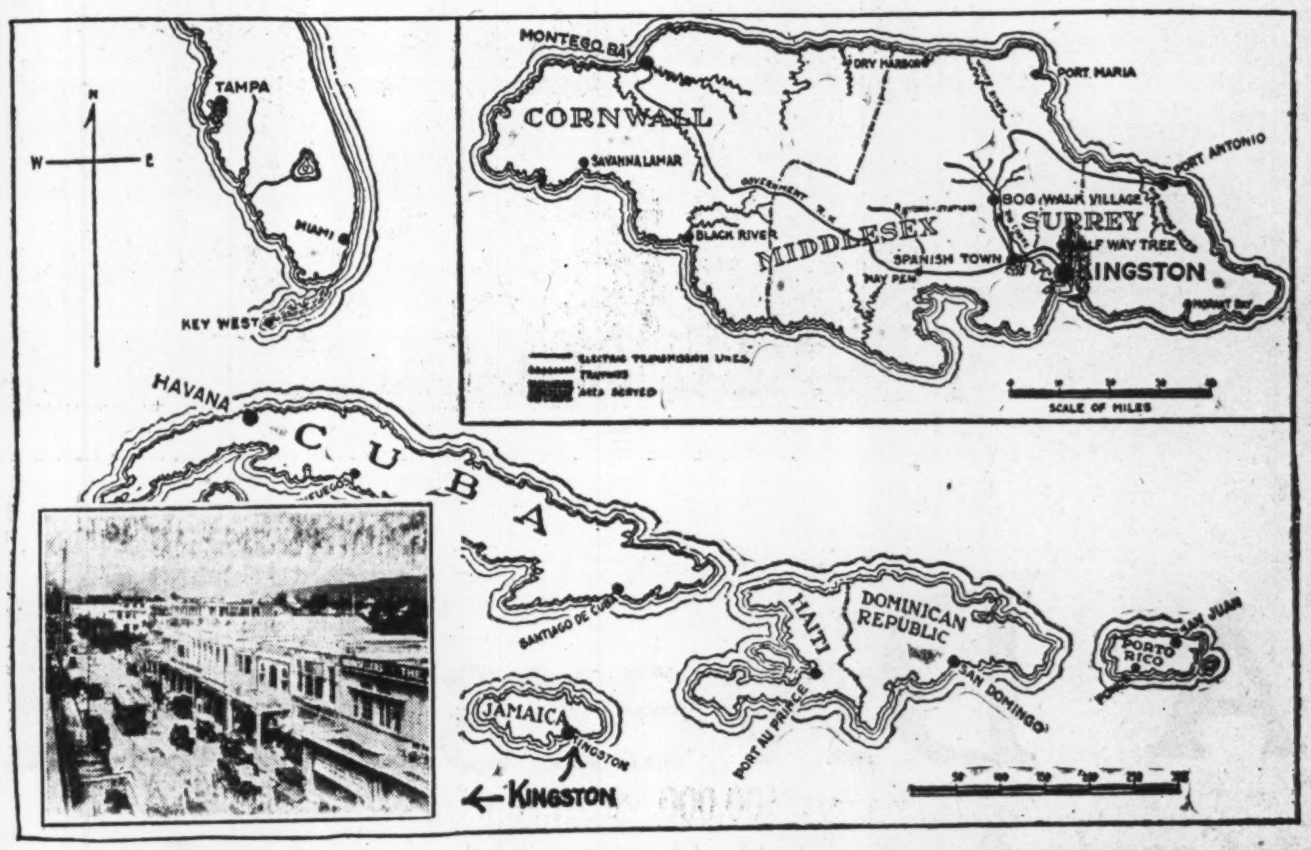
Dividend Record—

Preferred dividends have been regularly paid, quarterly, Jan. 1, since issuance. Common 4% per annum, payable quarterly, Jan., Apr., July and Oct. 1. 2½% paid in 1899; 3%, 1900; 4%, 1901; 5%, 1902 to 1908; 5½%, 1909; 6%, 1910 to 1917; 2%, 1918; 2½%, 1919; 3%, 1920; 2%, 1921; 4%, 1922; 6%, 1923; 4%, 1924 and 1925; increased to 5% in 1926; reduced to 1% quarterly, in Apr. 1927.

Market Record—

	High	Low	High	Low
	Common		Preferred	
1915	101	93	..	..
1916	99½	93⅝	..	..
1917	95	62½	..	..
1918	65½	38¼	..	..
1919	59	33	80	80
1920	49	31½	..	..
1921	61½	34	76	73¾
1922	62¾	34½	89	73
1923	80¼	58	100	90
1924	69	40	99	82
1925	79¼	58	97	94½
1926	79½	58	103	101
1927	66	45	104¼	100
1928x	55	47	106	104¼

xTo Feb. 25.



Map showing Jamaica in relation to the West Indies, and the area served by the Jamaica Public Service Co.

Steadily Increasing Earnings

Record of Progressive Growth

THE stability and steady growth of this utility's business and net earnings may be seen in the following table:—

Year	Gross Earnings	Net Earnings
1908	$217,410	$118,326
1909	236,065	113,885
1910	240,066	122,637
1911	263,108	122,014
1912	261,080	116,956
1913	284,841	128,584
1914	288,924	125,369
1915	274,317	123,540
1916	286,321	134,370
1917	287,210	120,112
1918	294,724	131,603
1919	383,664	154,767
1920	490,180	151,288
1921	536,866	185,376
1922	541,032	181,431
1924	579,055	186,651
1925	625,275	236,114
1926	652,104	255,387

Earnings for the 12 months ending December 31 were as follows:—

	1927	1926	Increase
Gross Earnings	$694,160	$652,104	$42,056
Net Earnings	284,993	255,387	29,606

The property was acquired from the West India Electric Co. in 1923 by the Jamaica Public Service Co., Limited, and placed under the executive management of Stone & Webster, Inc., who manage over 60 utilities throughout North America and in the Tropics.

Capitalization

Bonds, First Mortgage 6½s	$970,500
7% cumulative preference stock	998,580
Preference 7% Cumulative $750,000	
Preference "B" 7% Cum... 248,580	
Common stock	750,000

Jamaica Public Service Company's investment strength is built on solid oundation of consistent and increasing earnings

THE past year has been no exception in the steady growth of the Jamaica Public Service Company. Gross earnings show an increase of 6.45% over 1926. This is particularly gratifying as much of this increase was in the Light and Power Department, due to an added number of customers served and larger sales of electricity to existing customers for irrigation pumping, commercial light and power and residential uses.

The property and rolling stock is in excellent physical condition. During 1927 miscellaneous short line extensions were made and electric lines rebuilt to take care of new customers and to adequately serve the increased requirements of existing customers.

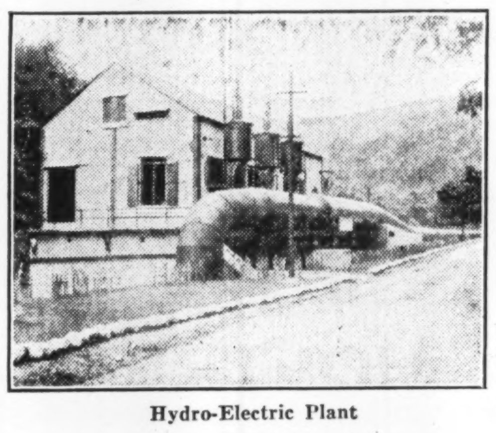
The Jamaica Public Service Company Limited supplies electric light and power service to Kingston and St. Andrew which adjoins it and to the ancient Spanish capital of the Colony, St. Jago de la Vega, now called Spanish Town, thirteen miles distant from Kingston. It also conducts a tramway system in Kingston and St. Andrew. A population estimated at 105,000 is served by the company within an area of approximately 16½ square miles.

Business conditions in Kingston and on the Island as a whole have been good during the past year. A strong cooperative movement has developed among the planters of the Colony, and this is receiving the active support of the Empire Marketing Board. The outlook for the current year is excellent.

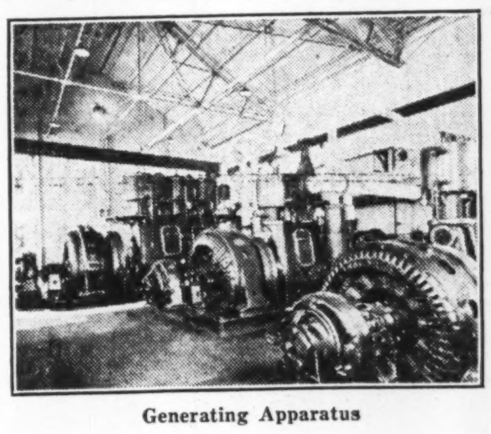
The Jamaica Public Service Company is owned, and was financed, in Canada. Canadian investors may appreciate that the company's strong investment position is well founded, based on its meeting well the needs of an expanding territory, and through its enjoying the confidence of the public it serves.

Jamaica Public Service Company
LIMITED

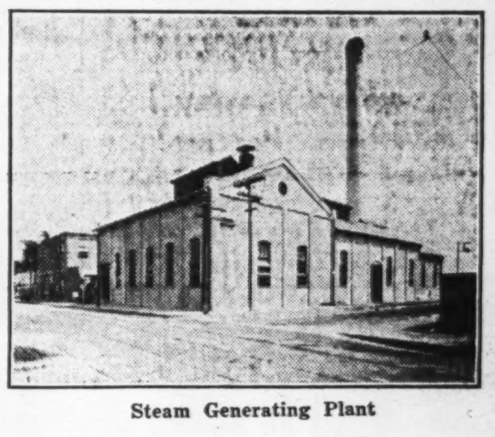
Executive Management: Stone & Webster Inc.



Hydro-Electric Plant

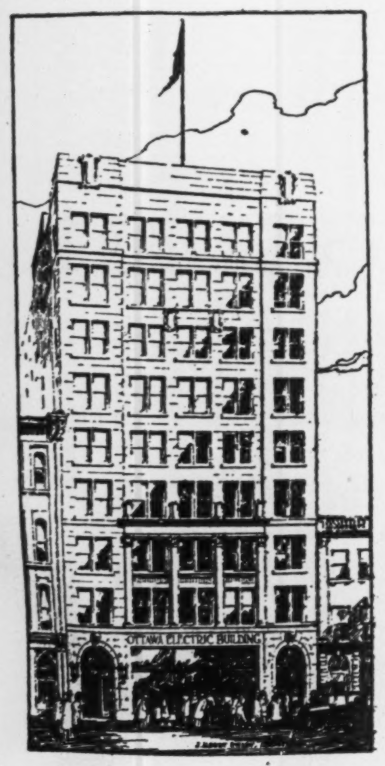


Generating Apparatus



Steam Generating Plant

—Expansion!



Above is pictured our new home—"The Ottawa Electric Building"—already over 90% occupied.

Nine storeys high and with a frontage of 66 feet it extends the full width in from Sparks to Queen Streets.

Modern in every detail of design, this is one of the best appointed buildings in Canada.

IT IS aptly said that "Public Utilities are the heart of a community. No city can grow more rapidly than its public utilities."

The Ottawa Light, Heat and Power Company has always been in the vanguard of Ottawa's growth. It has provided from its early activities that progressive service which has not only been in advance of requirements but which has made steady and uninterrupted the growth of the city it serves.

The company's lighting and gas service is reliable, constant and economical. Power supplies for industry are continuous, efficient and will take care of expansion needs for some years to come.

Today there is another evidence of the company's growth—the new and beautiful office building, located in the heart of the business section and providing for Ottawa a structure in which the city may justly share our pride.

The "Ottawa Electric Building" is another monument to the energy and foresight of those courageous spirits to whom the company owes its existence.

The Ottawa Electric Co. The Ottawa Gas Co.

The Ottawa Light, Heat and Power Co.

OTTAWA Limited CANADA

Canada Power and Paper Corporation
daliy capacity 1,400 tons
paper.

FAIRCHILD
AERIAL SURVEYS COMP
OF CANADA LIMITED
GRAND MERE QUEB

Canada Power and Paper Corporation
installed hydro-electric capacity
165,000 h.p.

Aerial view showing the Laurentide Company's mill and the plant of the Laurentide Power Company at Grand Mere—two of the important units of the Canada Power and Paper Corporation. Immediately adjacent hydro-power has contributed markedly to the Laurentide Company's low operating costs. The Laurentide Power Company is also a strong factor in the investment stability of the Canada Power and Paper Corporation.

A Diversified Investment

Canada Power and Paper Corporation Brings the Economies and Experience of Unified Control to Diversified Power, Pulp and Paper Companies of Proven Record

There is dual strength in the Canada Power and Paper Corporation.

First, it brings to investors the economies, experience and advantages of unified administration. Secondly, the constituent companies each have proven records in the diversified and basic power, pulp and paper industries.

The Corporation is composed of the following companies with a record of successful operation and management, and a recognized reputation for their products:—

ST. MAURICE VALLEY CORPORATION: This corporation is a consolidation, formed in 1925, of the St. Maurice Paper Company, the Belgo Canadian Paper Company and the Canada Paper Company — brought into the corporation in 1926. Part ownership in the Anticosti Corporation, together with its own timber reserves, assures the St. Maurice Valley Corporation of a perpetual wood supply.

The St. Maurice Valley Corporation's owned or controlled properties may be summarized as follows: Three Rivers plant (formerly St. Maurice Paper Co.) comprising a 4-machine newsprint mill with daily capacity of 265 tons, and a 65-ton sulphate pulp mill; the Belgo Canadian Paper Co. plant at Shawinigan Falls, comprising an 8-machine, 600-ton newsprint mill; the Canada Paper Company comprising a 50-ton newsprint and paper specialty mills; and timber limits either owned or controlled amounting in all to some 6,500 square miles estimated to contain about 20,000,000 cords of pulpwood.

The St. Maurice Valley Corporation's record since its inception has amply demonstrated the success of the merger which brought it into being.

LAURENTIDE COMPANY LIMITED: This company is one of the larger paper mills of the Dominion. Its daily capacity is 388 tons newsprint paper and 50 tons cardboard. Moreover, it is one of the oldest pulp and paper companies, having been incorporated in 1887. The company's policies have always been conservative but progressive. Its plants have been maintained in full and up-to-date efficiency.

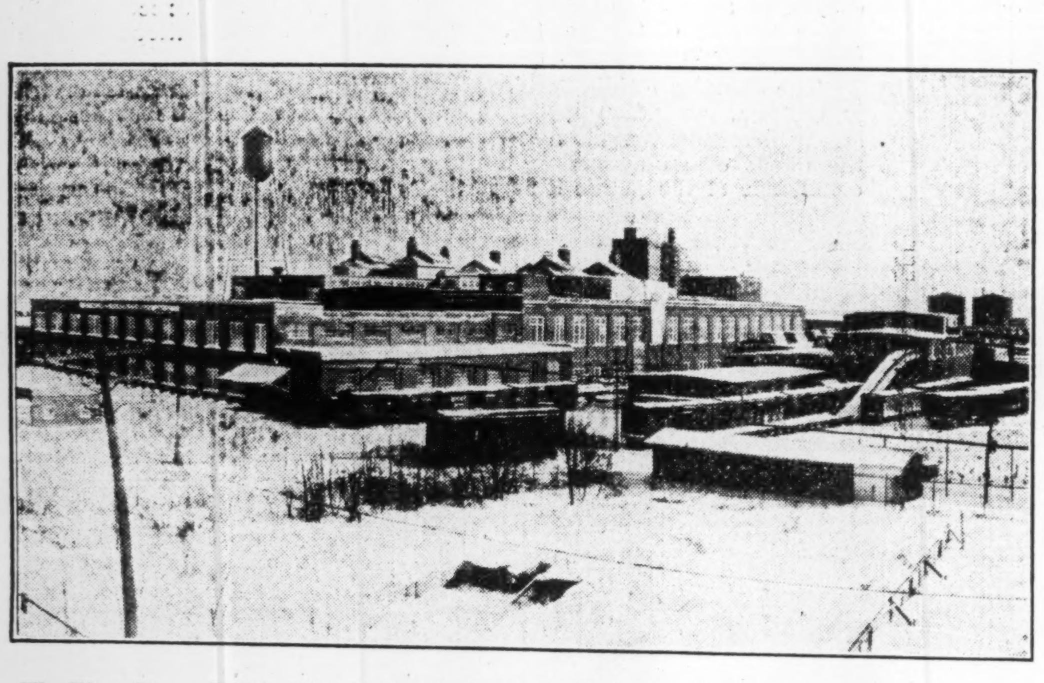
The Laurentide Company's reforestation methods are outstanding in the industry. The company's wood reserves are ample — augmented within the past year by timber holdings adjacent to the mill and by the limits acquired in the Ottawa Valley with the formation of the Laurentide-Ottawa Company.

The Laurentide Power Company — a subsidiary of the Laurentide Company and immediately adjacent to the parent company's mills — is an asset bringing resultant low production costs to the Laurentide Company. The power company is also one of the strong factors in the investment stability of the Canada Power and Paper Corporation.

The Laurentide Power Company has had a steady and sound growth. It operates under ideal conditions and with a present installed capacity of 165,000 h.p. which may readily be increased at moderate cost to 180,000 h.p. 30 per cent. of the power output is sold to the parent company and all other power on contract is taken by the Shawinigan Water and Power Company.

The Canada Power and Paper Corporation is in a position to contribute to, and share in, the sound expansion to be expected in Canada's great fields of power and pulp and paper development. The Corporation's management assures the direction, experience and constructive policies which promote stability and growth.

Canada Power and Paper Corporation



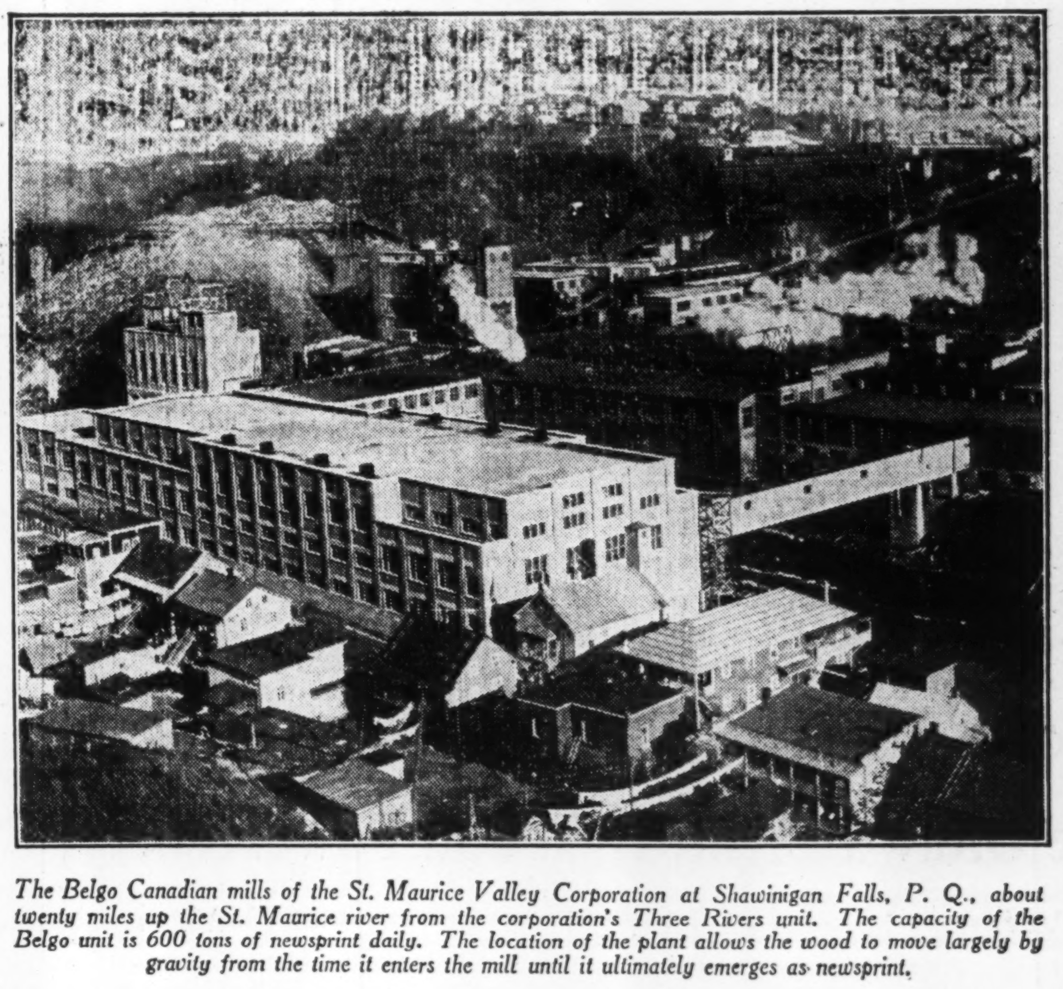
The Three Rivers, P. Q., mill of the St. Maurice Valley Corporation. The daily capacity of the plant is 265 tons of newsprint and 65 tons of sulphate pulp. It is located at the junction of the St. Maurice and St. Lawrence rivers. Logs float directly to the mill and the finished product can be shipped directly into ocean-going vessels.

Officers and Directors:

SIR HERBERT HOLT,
Chairman of the Board
G. CHAHOON, Jr., President
GEORGE M. McKEE,
Vice-President and Man. Director
SIR VINCENT MEREDITH
C. B. McNAUGHT
SIR LOMER GOUIN
A. CROSS
J. W. McCONNELL
G. H. MONTGOMERY, K.C.
F. A. SABBATON
W. E. WILDER
EDWIN HANSON
J. H. GUNDY

Head Office:

MONTREAL



The Belgo Canadian mills of the St. Maurice Valley Corporation at Shawinigan Falls, P. Q., about twenty miles up the St. Maurice river from the corporation's Three Rivers unit. The capacity of the Belgo unit is 600 tons of newsprint daily. The location of the plant allows the wood to move largely by gravity from the time it enters the mill until it ultimately emerges as newsprint.